

Bosnia's Fate Drives Home A Failure of World Order

By Barbara Crossette New York Times Service

WASHINGTON — With the outside world in effect relegated to the role of bystander to the violent dismemberment of Bosnia-Herzegovina, painful questions are being asked about how the combined efforts of Western Europe, the United States, and the United Nations failed a crucial test of post-Cold-War security.

Could the carnage in Yugoslavia have been prevented? Can it be stopped? Will it happen elsewhere?

NEWS ANALYSIS

In Congress, among analysts, and policy-makers an assortment of explanations are offered for the failure of the West to stop the fighting.

Reactions to the Yugoslav crisis were delayed and opportunities missed. Preoccupied with the collapse of the Soviet Union, the United States and its European allies clung too long to the lost hope of Yugoslav unity, giving the Serbian nationalist leadership in Belgrade time to test the limits of the new order.

A sense of helplessness is pervasive. Even those who are most critical of the Bush administration's handling of the crisis say it is difficult to recommend any new course of



PEACEKEEPER UNDER FIRE — A member of the Swedish contingent in the UN peacekeeping forces taking cover Friday between two of the token force's vehicles after coming under fire near the UN mission at Sarajevo, the Bosnian capital. Page 5.

action that would have a mitigating effect in Bosnia-Herzegovina.

The United Nations is overstretched. The European security organizations have no mechanism for this kind of crisis. Embargo lines would be impossible to draw around

Serbian irregulars in pockets of several republics, or other ethnic groups that may be as much to blame for violence as the Serbian Communist government in Belgrade.

Analysts are wondering what part of Eurasia will erupt next. They believe that Rus-

sia's unwillingness to agree to the suspension of Belgrade from the Conference on Security and Cooperation in Europe grows from fear of facing separatist movements within the

See CRISIS, Page 5

Worry, but No Panic, On Bankruptcy Filing

Olympia & York Seeks Debt Shield

By Lawrence Malkin International Herald Tribune

NEW YORK — The world financial system on Friday absorbed the initial shock of the bankruptcy filings by Olympia & York, the world's largest real estate company, which has been battling with its banks to stretch out \$12 billion in debt.

"The disaster in commercial property is already so widespread that this doesn't hurt much any more," said Anthony Downs, a senior fellow at the Brookings Institution in Washington and a real estate consultant to Salomon Brothers.

Bankers now have little choice but to wait out the property slump with their borrowers, he said, "because the number of distressed parcels is so big, the number of potential buyers is so

Related Articles

With the Reichmann troubles, fear rippled through Canada's economy. Page 11.

A web of assets and debt complicated the math of the spectacular downfall. Page 11.

Olympia's chief Hong Kong creditor might emerge unscathed. Page 13.

small, and they would have to borrow money anyway."

Bank stocks took a hit, especially in Tokyo where the Nikkei index was off 3.9 percent, but otherwise markets stabilized. Financial analysts said the banks themselves were ready for the challenge and had already set aside funds to cover their exposure to O&Y while they continued negotiations.

Canadian stocks, bonds and the currency actually rallied as the air cleared.

"The market realizes that the world is not going to come to an end and that life goes on," said Reid Farwell, foreign exchange adviser to Canadian Imperial Bank of Commerce, one of O&Y's major lenders.

Olympia & York, a private Toronto developer with worldwide investments that have changed the skyline in London and New York, filed for bankruptcy protection in Toronto late Thursday night. The action, on behalf of O&Y itself and 28 of its Canadian companies, allowed it to suspend interest payments and continue to manage half-leased buildings, such as its flagship First Canadian Place in Toronto, without putting them at risk of being carved up by creditors.

Olympia & York, along with four of its Canadian companies, filed for Chapter 11 bankruptcy protection in the United States on Friday. The move did not include its profitable Manhattan real estate, such as the World Financial Center. It was able to do this because a complex corporate structure legally separates all properties from each other, thus preventing banks from seizing healthy properties to satisfy their claims on the sick ones.

The company did not seek bankruptcy protection for Canary Wharf, the unfinished multi-billion-dollar development in London's Docklands. That development has been the financial black hole for the visionary but secretive Reichmann brothers, who built up the real estate giant from a small Canadian file manufacturer in a generation.

Real estate developers and specialists in the United States foresaw little effect on the already depressed property market here or abroad. The market, they said, has been braced for such things by the collapse of some of the major, speculative developers of the 1980s, starting with Donald Trump.

Industry experts recognized a familiar pattern in bankruptcy negotiations that put both lenders and borrowers in the same boat.

Abraham Wallach of First Capital Management in New York explained: "What the Reichmanns are doing is establishing battle

See O&Y, Page 13

In Britain, A Struggle To Stay Afloat

By Erik Ipsen International Herald Tribune

LONDON — Olympia & York executives struggled successfully Friday to keep the world's largest property developer out of bankruptcy in Britain as the Conservative government campaigned to prevent further embarrassment over the company's disastrous Canary Wharf development.

O&Y's bank creditors here decided not to force the Canadian property company to accept court administration, at least immediately, as the price for its survival, a bank official said.

"There is no pressure for bankruptcy protection at Canary Wharf at this stage," a spokeswoman for a working party representing the 11 British bank lenders said.

The Canadian company has poured billions of dollars into turning 71 acres (29 hectares) of desolate East London docklands into Canary Wharf, the largest commercial office development in Europe.

"I am cautiously optimistic that we will reach an agreement with the lenders to Canary Wharf to continue operating outside administration," said O&Y's chief negotiator, Steve Miller.

He also stressed that the company would avoid any "fire sale" of assets.

Many analysts reckon that the British government now holds the key.

"It is up to the government whether this project succeeds or fails," said Graham Jinks, an analyst with Barclays de Zoete Wedd.

Canary Wharf's British bankers said they were not seeking bankruptcy, in part because the unforgiving British system turns bankrupt property over to court administrators whose mandate usually is to sell it off at a discount to pay off creditors and not try to nurse it back to health, which is the aim of the very different system in North America.

Even if it does avoid administration, however, property experts say that victory will hardly be a ringing endorsement of the Canary Wharf development's future, or of O&Y's judgment in building it in the first place.

"Fifty percent of the publicly listed property companies in London are technically insolvent right now," said an analyst in London, where property values have halved since 1988 in the deepest property recession since the 1930s.

Analysts say that throwing O&Y or any of the others into administration now would only cost the banks more money in receivers' fees while not necessarily improving their chances of collecting on their debts at the end of the day.

"Why put the property into the hands of an administrator who doesn't know the business if you can possibly avoid it?" a banking analyst said.

While representatives of the banking syndicate that has lent \$1 billion to finance Canary Wharf's construction met with O&Y representatives in London on Friday, Prime Minister John Major's office released a statement saying that it was "being kept in close touch with developments."

Meanwhile, O&Y officials stressed the voluntary nature of their decision to seek court protection in Canada and the United States.

An O&Y executive said that the step had been taken because creditors were

See LONDON, Page 13

EC Is Nearing a 'Moral Catastrophe,' Thatcher Says

By Glenn Frankel Washington Post Service

LONDON — Former Prime Minister Margaret Thatcher launched a ferocious rhetorical assault on the European Community on Friday, saying that Europe was on the road to "insecurity, unemployment, national resentment and ethnic conflict" unless it drastically altered plans for a more centralized economic and political union.

Mrs. Thatcher's strident attack comes at a time when several European states are rethinking their support for a federal Europe. The Maastricht treaty calling for closer union faces a tough referendum challenge in Denmark on

June 2, while there are increasing voices in Germany and France that fear the loss of national sovereignty and financial control to a powerful bureaucracy in Brussels.

Although she has always been a strident critic of a federalist Europe, Mrs. Thatcher's British counterattacks with defense plan involving the Western European Union, Page 5.

language was more unvarnished in her speech on Friday than during her 11 years as prime minister.

She told a gathering of businessmen and diplomats in The Hague that federalists would

create "a moral catastrophe" and "a Europe which combines almost all the most striking failures of our age."

Mrs. Thatcher also focused on Germany, saying it was simply too powerful to be fettered inside a European federation and would "inevitably dominate."

A better means of balancing German power would be a "loose-knit, decentralized, free market Europe of sovereign states," she said.

The plans to create a superstate of the 12 European Community members had been devised before the fall of the Berlin Wall, the reunification of Germany and the collapse of the Soviet empire, Mrs. Thatcher noted. Now

those plans were obsolete, she insisted, and had become obstacles to the establishment of an equitable, post-Cold War world.

"The half Europe imposed by Soviet tyranny was one thing," she said. "The half Europe imposed by Brussels would be a moral catastrophe, depriving the Community of its European legitimacy."

She pointed to the Community's Common Agricultural Policy as one example of an EC institution that had run its course and was now destructive. The policy in its early days had helped European farmers get on their feet eco-

See THATCHER, Page 5

2d Trial Is Set For Policeman In Los Angeles

The Associated Press

LOS ANGELES — A white Los Angeles police officer was ordered Friday to stand trial for a second time in the severe beating of Rodney King, a black man dubbed by policemen after a high-speed chase for a traffic violation.

Judge Stanley Weisberg of Superior Court said there was sufficient evidence to retry Lawrence Powell on a charge of assault. A new trial could be held in Los Angeles, he said.

A jury deliberating the case in the Los Angeles suburb of Simi Valley last month deadlocked on that charge, voting 8 to 4, in favor of acquittal. Mr. Powell, Stacy Koon, Timothy Wind, and Theodore Briseno were acquitted of all other charges.

The remaining charge against Mr. Powell carries a maximum penalty of six years.

The acquittals April 29 touched off several days of rioting in Los Angeles, which resulted in 51 deaths and hundreds of millions of dollars in damage. Lesser disturbances occurred in other cities.

Mr. King was beaten after he was pulled over from a high-speed car chase March 3 last year. A man who lived nearby captured much of the beating on videotape, tape that was eventually broadcast around the world.

In his ruling granting Deputy District Attorney Alan Yochelson's request for a retrial, Judge Weisberg said: "I find that the interests of justice require that there be a second trial in the case of people versus Powell."

The judge scheduled a hearing a week from Friday on a change of venue.

Minor disturbances have continued this week, including an incident Thursday in South Central Los Angeles.

In another development, Reginald Denny, the white truck driver whose videotaped beating by angry blacks came to symbolize police paralysis at the start of the riots, was released from a hospital in good condition.

Three of the suspects in his beating have been charged with attempted premeditated murder, torture, aggravated mayhem and robbery. The fourth was charged with robbing Mr. Denny.

The authorities said all four were affiliated with the 8-Trey Gangster Crips street gang.

Kiosk

Italy's Parliament Fails 4th Time on President

ROME (AP) — Parliament on Friday failed again to elect an Italian president despite a drop in the number of required votes, but chances for success the next time improved when Christian Democrats came up with a candidate.

While the fourth unsuccessful vote this week for head of state was being conducted in Parliament, leaders of Italy's dominant party decided to back their leader, Arnaldo Forlani, in balloting Saturday.

After three attempts to reach a two-thirds majority earlier this week, the requirement dropped Friday to a simple majority. But with no agreement by the major parties on a common candidate, the change made no difference.

Since it is the head of state who, in turn, picks the prime minister-designate, efforts to form a government have been stalled in the three weeks after Prime Minister Giulio Andreotti resigned following the setback dealt his four-party coalition in April 5 elections for Parliament.

General News

Boris Yeltsin angrily denied charges by his opponents in the Russian parliament that he was drunk in public. Page 2.

The Pope will testify the controversial founder of the Opus Dei association. Page 3.

General Fidel V. Ramos pulled ahead in the Philippine presidential election. Page 5.

The astronauts are heroes again after their rescue of a satellite in space. Page 3.

Business/Finance S.A. Brewings made a \$4.5 billion bid to merge with Foster's. Page 13.

Thomson-CSF tried to reassure the United States about its proposed acquisition of LTV. Page 11.

Crossword Page 7. Weather Page 2.



SOUTH AFRICAN TALKS FLOUNDER — A Zulu protesting Friday in Johannesburg because the Zulu king does not have his own delegation at talks on a constitution. The talks deadlocked amid recrimination by the government and the ANC. Page 2.

Overhead Slam: Tennis Turbulence Deafens the Jet Set

By Josh Barbanell New York Times Service

KINGS POINT, New York — It began two years ago, when David N. Dinkins, the mayor of New York and a tennis buff, pressed the Federal Aviation Administration to steer aircraft away from the U.S. Open tennis tournament in Flushing Meadows so that players could concentrate and fans could hear the whack of gut hitting ball.

It has led to daylong sorties of thundering aircraft over the houses of Robert and Sandy Weintraub and thousands of others in this enclave of wealth and privilege beyond the city line.

The jets rattle houses, spread fumes along

tended lawns and wild woods and have provoked a war of words between city and suburban officials.

"We are at war again," Mrs. Weintraub will say to her husband, a psychologist, as the roar begins, sometimes at first light, seemingly as loud as if a 747 were landing on the roof.

The diversion of flights from LaGuardia Airport for the Open provoked few complaints when Mr. Dinkins first proposed it, and last year it was tried again. Then, without notice to local officials, the aviation agency, acting at the request of the Queens borough president, tried it again last year, sending many of 500 or so daily flights on a little used route directly over the Great Neck Peninsula,

which juts into Long Island Sound, and the Weintraub house.

The agency said it did not notify officials and area residents because the diversion was only a temporary test "to improve the noise situation near the airport." Any permanent change, the agency said, would be made only after formal environmental studies and public hearings.

But local officials said the test — which has brought jets so low that the air reeks of jet fumes — was intended to measure the patience and political resources of people who moved here to escape the noise and distractions of the city.

Martin Saitzman, a lawyer in Great Neck,

said that when the noise first started, she rushed to a bathroom to see where the plane had landed, as her entire house shook.

On some nights, she said, it was so bad that it disrupted her bridge game.

"You couldn't hear yourself bid," she said. First, the mayors of the nine villages in Great Neck dashed off a protest to the aviation agency, and further protests were lodged as spring brought more complaints.

This week the Nassau County Executive, Thomas S. Gilotta, called on the agency to end the experiment immediately.

"I cannot see the rationale in redirecting

See VOLLEY, Page 3

Handwritten Arabic text: هذا ان الاول

Opposition Seizes Azerbaijani Capital

Newly Restored Hard-Line President Driven Into Hiding by Popular Front

By Michael Dobbs
Washington Post Service

MOSCOW — Nationalist opposition forces in Azerbaijan seized control Friday of most strategic points in the capital, Baku, in an insurrection against the Communist-dominated regime of President Ayzh N. Muttalibov.

The seizure of government buildings by forces loyal to the Popular Front came less than 24 hours after parliament voted to restore Mr. Muttalibov to power. A former party boss, Mr. Muttalibov resigned as president in March after Azerbaijan suffered a serious military defeat at the hands of neighboring Armenia, its hereditary enemy.

"The Popular Front now controls almost everything in the republic," an opposition leader, Isa Gambarov, said on television shortly after Baku was taken over by the insurrectionists.

Russian press agencies later reported that the opposition controlled most key buildings in Baku, including the presidential palace and the parliament building. The whereabouts of Mr. Muttalibov, 53, who won what the opposition said were rigged elections last September, were not immediately clear.

The president had earlier tried to crack down on the Front by declaring a state of emergency in the republic, imposing a curfew and banning all political activity.

The armed insurrection against Mr. Muttalibov follows a pattern already established in neighboring Caucasian republics of Georgia and the Central Asian republic of Tajikistan. It demonstrates the acute vulnerability of authoritarian leaders in the former Soviet Union to popular rebellions following the collapse of centralized rule and the refusal of the armed forces to take part in quelling unrest.

Mr. Muttalibov suffered a devastating political blow last February when Armenian forces captured the Azerbaijani-inhabited town of Nagorno-Karabakh. Accused of failing to prosecute the war vigorously enough, he was forced to step down. New presidential elections were scheduled for June 7.

After the loss of Khojaly, it seemed that Mr. Muttalibov's career was over. His return to power followed an even greater reverse — the fall of Shusha, the last Azerbaijani stronghold in Nagorno-Karabakh, which has been administered from Baku since 1923 even though most of its inhabitants are Christian Armenians.

Political analysts said that Mr. Muttalibov appeared to have misjudged the balance of forces in Azerbaijan and the willingness of the republic's newly formed army to support him in his struggle with the Front. Many military units, including troops involved in the fighting in Nagorno-Karabakh, are reported to have sided with the opposition.

After the Communist-dominated parliament voted to restore Mr. Muttalibov to power, opposition leaders denounced what they called

a coup d'état and called for popular resistance. Hundreds of armed men surrounded the Front headquarters in Baku overnight to prevent it from being taken over by the government.

"There has been a revolution in Azerbaijan," said Iubar Mamedov, an opposition candidate in the June 7 election. "Mr. Muttalibov has illegally regained power with the help of Moscow and the KGB. This means the loss of Azerbaijan's independence."

By Friday morning, the crowd camped outside opposition headquarters had swollen to around 20,000. Led by four armored personnel carriers and activists armed with automatic rifles and grenade launchers, the crowd marched through sweltering heat to the parliament building.

Witnesses said that troops loyal to Mr. Muttalibov opened fire on the crowd from the Hotel Moscow, across the street from the 14-story glass-and-concrete parliament. But the parliament building itself was largely undefended and was captured following a deafening 45-minute battle.

The crowd then moved on to the television center and presidential palace, the former Communist Party building, where Mr. Muttalibov was believed to be holed up. Government troops vacated the palace without a fight after receiving an ultimatum from opposition leaders, but there was no sign of Mr. Muttalibov.



An emphatic Boris Yeltsin during a news conference Friday in Tashkent, Ukraine, at which he denied accusations of heavy drinking.

Yeltsin Denies Accusations of Heavy Drinking

Washington Post Service

MOSCOW — President Boris N. Yeltsin of Russia on Friday denounced accusations by two of his bitterest opponents in parliament that he had appeared drunk in public.

Vladimir Isakov, a former Communist hard-liner, and Mikhail Astafiev, a nationalist, said in parliament that Mr. Yeltsin had appeared drunk on television Thursday night when he was shown arriving in Tashkent, the Uzbekistan capital, for a Commonwealth of Independent States meeting.

Such an assessment was not shared by other viewers. Mr. Yeltsin appeared tired and in a good mood, but not drunk.

[To an Associated Press reporter and a photographer who watched Mr. Yeltsin at the

airport — both having seen him up close many times — the president appeared a bit fatigued, but no more than usual, and did not appear to be drunk. Neither saw him stumble.]

Mr. Yeltsin's drinking habits have been the target of whisper campaigns and, when he visited the United States before he became president, questionable allegations in the press. But the issue had not previously been raised in such an official forum.

"Deputies must discuss the important issue of the president's drunkenness," Mr. Isakov shouted before his microphone was shut off.

Mr. Yeltsin said the deputies were opposed to his policies of reform and were trying to undermine his authority.

"The opponents of radical reform do everything to discredit the president, the cabinet and their policy," Mr. Yeltsin said Friday. "I am ashamed of people who raise political issues on such a level. But once the question has been raised like this, we need to accept the challenge and beat it."

Seven parliamentary factions demanded that the ethics committee investigate the two deputies for making slanderous remarks, and Russian journalists were asked not to overplay the incident.

A conservative deputy, Viktor Sheinis, said: "Gentlemen from the press, you do not need to play up the issue. It is not in the national interests of anybody in Russia."

—FRED HIATT

6 of Commonwealth Republics Sign Security Pact

By Fred Hiatt
Washington Post Service

MOSCOW — Russia and five other republics of the former Soviet Union signed a collective security agreement on Friday, while Ukraine and four other of the Commonwealth of Independent States declined to join.

President Boris N. Yeltsin of Russia and other leaders, speaking after a summit meeting in Tashkent, Uzbekistan, hailed the pact as evidence that the post-Soviet Commonwealth is alive and well. They said the treaty called on signers to defend one another against outside aggression and to refrain from attacking each other.

The leaders clearly hoped that the pact would restore order and reassure a military greatly unsettled by the division of the Soviet Army into national armies. But the pact's significance remains in doubt on Friday, given how many treaties have been signed and ignored since the collapse of the Soviet Union in December and given how many countries declined to sign.

Although Armenia signed the pact on Friday, for example, it seemed unlikely that Russia or the other, predominantly Muslim, signers would go to Christian Armenia's defense in its fight against Muslim Azerbaijan.

The six-member pact also provided clear evidence that the Commonwealth of Inde-

pendent States will not bind all 11 of its members equally. Rather, the components of the former Soviet Union are likely to part or unite in shifting alliances according to their own interests on economic, military and political questions, experts here said.

But the pact, coming soon after Mr. Yeltsin ordered the creation of a Russian Army and claimed control of most former Soviet forces, may ease the political pressure to withdraw those troops from other republics.

Those signing the collective security pact, in addition to Russia and Armenia, were Kazakhstan, Turkmenistan, Uzbekistan and Tajikistan. In addition to Ukraine, the Commonwealth's second-most militarily powerful republic, those not signing were Belarus, Azerbaijan, Kyrgyzstan and Moldova.

The Belarussian leader, Stanislav Shushkevich, said signing the pact would violate his republic's constitution, but he said his government would consider amending the constitution so that it could join later.

It has become amply clear that the association that replaced the Soviet Union is indeed far from a cohesive state, although most analysts say they believe that the Commonwealth has played a role in preventing disintegration from sliding into chaos.

Beneath the often-arcaic warring among Commonwealth nations by questions

of urgent importance to the United States as well as this part of the world, including control over 27,000 nuclear weapons and territorial and ethnic conflicts that could unleash wars or create millions of refugees.

Also at stake is the future geopolitical shape of the world. Will Moscow remain at the heart of a great power of some kind, or will its neighbors increasingly look elsewhere for their economic and political alliances?

Many analysts in Moscow and abroad now describe the Commonwealth as little more than a divorce court, a forum to ease the breakup of the Soviet and Russian empires. These analysts expect Ukraine, the second-most populous republic after Russia, to leave the Commonwealth soon, in effect dooming the alliance as it now exists.

"We issue declarations, but no one cares to adhere to them," said Mr. Nazarbayev, an advocate of closer cooperation, in an interview. "We get together occasionally, sign papers and depart. The CIS is not effective."

Denis V. Dragonski, a Russian scholar and commentator, said: "If one asks whether the CIS will be preserved within the borders of the former Soviet Union, the answer is of course not. There is an unstoppable tendency to disintegrate. The CIS is only a step on the path of transformation."

But Mr. Dragonski and many other analysts also said the Commonwealth had

played a useful function and may continue to do so for some time. Russia's first deputy foreign minister, Fyodor Shelov-Kovedyev, said he expected the Commonwealth to survive and grow stronger even if Ukraine exits.

"We view the future of the Commonwealth with optimism," Mr. Shelov-Kovedyev said. "From the beginning, we conceived of it as an asymmetrical structure, with some countries more interested in cooperation than others."

Those who view the Commonwealth as an outright failure tend to be those who, like Mikhail S. Gorbachev, believe that it should assume many of the roles of the country that disappeared.

The Commonwealth has failed to preserve a "single economic space," to discourage its members from forming their own armies and to forestall the emergence of other policies viewed by the new nations as essential badges of sovereignty, such as separate currencies and visa regulations.

But the Commonwealth has worked on a more prosaic level, keeping the vast rail, energy and aviation networks of the former Soviet Union together.

"There are institutions in the Commonwealth framework that no one thinks about, precisely because they operate effectively," the deputy foreign minister said.

Democracy Talks in South Africa Hit a Roadblock

By Christopher S. Wren
New York Times Service

JOHANNESBURG — A new round of multiracial negotiations on South Africa's future convened on Friday and promptly bogged down in deadlock as negotiators from the black majority political equality.

The disagreement involved the margin of approval that would be needed for constitutional provisions affecting regions and localities. The African National Congress agreed to 70 percent of the votes in a constitution-making legislature, while the Government has held out for 75 percent.

The two key participants virtually reached consensus on other proposed guidelines, but the 5 percent gap has stalled unrelated issues that were scheduled for discussion and approved at the negotiations.

The general despair over the deadlock, which blocked the presentation of progress reports by the other working groups, lessened on Friday evening after it was announced that President F. W. de Klerk and the African National Congress president, Nelson Mandela, would meet to seek a solution. They are expected to report on the outcome at the convention's session Saturday.

Mr. Mandela told journalists that it would be naive for anybody to think that there would be no deadlocks in the negotiations.

"While there is a will to address problems, there is hope those problems will be solved," said Mr. Mandela, who sounded noticeably more relaxed than his subordinates had earlier today.

"We are confident that in the weeks or months that lie ahead we will be able to make good progress," Mr. Mandela said.

The regional issue has become a sensitive one because the governing National Party and several other participants like the Inkatha Freedom Party believe that the interests of minorities, including whites, can be better protected if power gets decentralized down to the regional level, even though whites do not form the majority in any region.

The National Party also wants the new parliament to have a second chamber, called a Senate, whose members would be elected regionally rather than nationally.

ANC officials accused the government and Mr. de Klerk's National Party of standing against democracy and negotiating in bad faith in a bid to maintain white supremacy after apartheid, Reuters reported from Johannesburg.

"What the National Party really wants is the rotten corpse of apartheid to continue to rule from the grave," said Allan Hendrickse, leader of the mixed-race Labor Party.

Angry Accusations

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WORLD BRIEFS

Pakistan Raises Military Outlay 8.4%

ISLAMABAD (Reuters) — Finance Minister Sartaj Aziz said Friday that security concerns did not permit Pakistan to make the military budget cuts demanded by aid donors.

"Our security is more important than other developments," he said a day after presenting to Parliament the national budget for the fiscal year that starts July 1. The budget gives \$2.15 billion rupees (\$3.26 billion) to the military, about 8.4 percent more than in the current year.

Pakistan said the military would remain its top priority as long as it feels threatened by India. The two nations have fought three wars since they gained independence from Britain in 1947.

Ammo Blasts Spread in Vladivostok

MOSCOW (Reuters) — Huge explosions tore through the sky near Vladivostok on Friday as more than 250 servicemen battled to put out a blaze that broke out at an ammunition dump Thursday and was spreading.

About 6,000 people were evacuated from their homes in the Russian Far East port, Tass said. Russian television showed the city lit by an orange glow as exploding shells rocketed into the sky.

Five servicemen were injured in the blasts, which hurled shell debris in a radius of one kilometer across the outskirts of the Pacific Ocean city. "The situation in the area is getting worse," Tass said. "Expectations that the blaze could be contained have proved wrong. The fire has spread to new areas and is threatening to spread to buildings containing more shells."

Case Against Papandreou Is Dropped

ATHENS (Reuters) — The Greek parliament voted Friday to drop criminal charges against former Prime Minister Andreas Papandreou, who was accused of illegally bugging the phones of his friends and foes while in office.

With more than half the parliament boycotting the secret ballot, deputies voted, 117 to 24, to close one of the most turbulent and controversial periods in modern Greek politics.

Mr. Papandreou, 72, was cleared in January of separate charges of masterminding a multimillion-dollar bank embezzlement scheme while in office from 1981 to 1989. He denied those charges and stayed away from a 10-month trial. Now leader of the main opposition party, Mr. Papandreou told his 119 deputies to shun both the debate and vote.

Taiwan Liberalizes Its Sedition Law

TAIPEI (AP) — Parliament amended Taiwan's seditious law Friday in a major step toward greater freedom of speech. The legislation now specifies that only those advocating acts of violence will be prosecuted under the Criminal Code, delecting the clause that punished discussion of Taiwan's independence.

Under the amendment, those who intend to use violence or illegal actions to destroy the state, usurp national territory or overthrow the government will face prison terms ranging from seven years to life imprisonment. Officials said the amendment would lead to the release of several leading dissidents held on seditious charges for advocating an independent Taiwan.

For the Record

Erich Honecker, the former East German leader, has been formally charged with ordering guards to shoot to kill refugees who were trying to flee their Communist homeland, justice officials said Friday in Berlin.

Five other former East German officials were also charged: the Stasi chief Erich Mielke; President Willi Stoph; Defense Minister Heinz Kessler; his deputy Fritz Streletz; and Hans Albrecht, a member of the National Defense Council.

(Reuters)

TRAVEL UPDATE

Spain's cabinet has approved a smoking ban on domestic flights of less than 90 minutes. But plans to outlaw smoking in public places, including subway stations, restaurants and shopping centers, were scrapped because Health Ministry officials were skeptical that they could be enforced.

Belgian trucks will be the first subjects of an EC surveillance project scheduled to start on a Continent-wide basis next year. The microchip-carrying trucks will emit details on cargo, speed and itinerary, along with the driver's time behind the wheel.

China and Japan have agreed to increase flights between their countries, including a route allowing Chinese airlines to fly to Nagoya, a Japanese official said Friday. Japanese carriers will be allowed to fly seven more weekly passenger flights to Shanghai beginning July 1. This gives Japanese airlines 13 flights a week.

Japan is ready to start civil aviation talks with Israel, Qatar, Bahrain, the United Arab Emirates and Oman on the opening of Kansai airport near Osaka in 1994, Transport Minister Kiwa Okusu said Friday. (AP)

Qantas Airways plans to increase its Hong Kong-Bangkok and Hong Kong-Singapore services to seven a week by late October. Also by then, it will increase Seoul flights to two a week, add an extra weekly service to Jakarta, and link Melbourne with Bali and Bangkok with three new flights: Qantas plans two Sapporo flights a week, and wants to upgrade its charter link with Ho Chi Minh City to a scheduled service. It has added a fourth weekly Frankfurt service, put three more flights on its Sydney-Los Angeles nonstop route, and added another weekly service from Cannes to Los Angeles and from Cairns to Singapore via Darwin.

(AFP)

Air France will start a frequent flier program for full-fare passengers that will take effect June 1. Only passengers residing in France will be eligible for the program, although points will be tallied on international flights. The number of points granted will depend on distance traveled, the class occupied and the type of fare.

(AP)

The Weather

Forecast for Sunday through Tuesday

Region	Today			Tomorrow		
	High	Low	Wind	High	Low	Wind
North America	68-78	48-58	W 10-15	65-75	45-55	W 10-15
Europe	65-75	45-55	W 10-15	62-72	42-52	W 10-15
Asia	75-85	55-65	W 10-15	72-82	52-62	W 10-15
Africa	70-80	50-60	W 10-15	67-77	47-57	W 10-15
Latin America	70-80	50-60	W 10-15	67-77	47-57	W 10-15
Middle East	70-80	50-60	W 10-15	67-77	47-57	W 10-15
Oceania	70-80	50-60	W 10-15	67-77	47-57	W 10-15

Legend: sun, part. cloudy, cloudy, rain, snow, showers, thunderstorms, calm, light breeze, strong breeze, gale, storm, heavy rain, heavy snow.

RELIGIOUS SERVICES

AMSTERDAM
CROSSROADS INTERNATIONAL CHURCH (Evangelical and Ecumenical) Sunday 10:30 a.m. / Kds. Wolvensteede, De Cuperstraat 3, Amsterdam. Tel: 020-6415316 or 020-6415397.

BRUSSELS
CHRIST CHURCH (Anglican) S.S. and Services 11:00. All Denominations are welcome. Rotterdam Str. 135. Tel: 0211-45222.

FRANKFURT
CHRIST THE KING (Episcopal/Anglican). Sebastian-Ringstr. 22, U1 2, 3. Sunday School, Holy Communion 9 & 11 a.m., Sunday School and Nursery 10:45 a.m., Concert of English Choral and Instrumental Music on Sat. May 23 at 7:30 p.m. The Rev. David Kolpf (069) 55 01 84.

MUNICH
INTERNATIONAL COMMUNITY CHURCH, Evangelical, Bible Believing, services in English 4:15 p.m. Sundays of Ebrauer Str. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS AND SUBURBS
THE AMERICAN CATHEDRAL (Episcopal-Anglican). Sun. 9:11 a.m. Sunday School for children and nursery care at 11 a.m. 23 Ave. George V, Paris 8. Tel: 47 20 17 92. Metro: George V or Alma-Maratone.

HOPE INTERNATIONAL CHURCH (Evangelical & for everyone). Sun. 9:30 a.m. with children's S.S. RER (A) La Defense. Tel: 47 73 53 54 or 47 73 14 27.

SANT JOSEPH'S CHURCH (Roman Catholic). Masses Sat. Evng. 6:30 p.m., Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m., 8:30 p.m. Holy Mass, Paris 8th. Tel: 42 27 28 56. Metro: Charles de Gaulle - Ecole.

MONTRE CARLO
INT'L FELLOWSHIP, 9 Rue Louis Nohat, Sunday School 9:45, Sunday Worship 11 a.m. & 6 p.m. Tel: 93 25 51 51.

TOULOUSE
HOPE INT'L CHURCH, Evangelical and for everyone. Sunday 7 p.m. Saint Helix Toulouse Blagnac Airport. Tel: 61 86 91 22.

EUROPEAN BAPTIST CONVENTION

ATHENS
TRINITY INTERNATIONAL BAPTIST CHURCH, 58, Voulagmenis Ave. Apo Hellinon, S.S. 9:45, Worship at 11:00 a.m. and 8:30 p.m. Tel: 01-902-2665 for directions.

BERLIN
INTERNATIONAL BAPTIST CHURCH, BERLIN, Rotherstr. 13, 1000 Berlin 41 (Spreewald). Bible study, worship at 11:00 a.m. and 8:30 p.m. Tel: 030 74 4670.

INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TAMBA FESTAHL, Am Schiffdamm 11, Hamburg-Ottendorf. Bible Study at 11:30 & Worship at 12:30 each Sunday. Tel: 040/622016.

BONN/VOLK
THE INTERNATIONAL BAPTIST CHURCH OF BONN/VOLK, Bismarckstrasse 9, Köln. Worship 1:00 p.m. Calvin Hogan, Pastor. Tel: (02236) 47021.

BRUSSELS
INTERNATIONAL BAPTIST CHURCH of Brussels welcomes you to join our English-speaking, Christ-centered fellowship with an active Youth Ministry located near the international airport. Sunday School and Bible Study 9:45 a.m. Worship Services 11:00 a.m. and 6:00 p.m. Lange Elestraat 78, 1970 Wazembeau. Opposite, 02 731. 1234 Pastor Ulrich Bolder.

BRUSSELS
International Baptist Fellowship, 8 Bimbo u. 56 (near entrance) (episcopal), 7, (evangelical) behind front entrance). 10:30 Bible study, 6:00 p.m. Frank Zedick, pastor. Tel: 115 8230 & 115 6116. Reached by bus 11.

BULGARIA
INTERNATIONAL BAPTIST CHURCH, Sofia, Oboriste Str. 103, Ent. B, Fl. 4. Tel: 447075/704367.

CELE/HANNOVER
INTERNATIONAL BAPTIST CHURCH, Friedlandstr. 15, Celle, S.S. 12:45, Worship 14:00, 30 min. Drive, 20 min. by train from Hannover. Website: www.cele.de. Call train station, Contact Andy East. Tel: 0511-367373.

DARMSTADT
DARMSTADT/BERNSTADT BAPTIST MISSION. Bible study & Worship Sunday, 10:30 a.m. Sachsischen-De-Burstrasse 22, D. 64269 Darmstadt. Tel: 0618/971683 (pastor) & 06151-08202 (deacon).

DUISSELDORF
INTERNATIONAL BAPTIST CHURCH, English, S.S. 10:00, worship 11:00. Children's church and nursery. Meets at the International School, near the airport. German & English. DUISSELDORF/FRANKFURT. All denominations welcome. Dr. W.J. DeKey, Pastor. Tel: 0211/440 157.

FRANKFURT
INTERNATIONAL BAPTIST FELLOWSHIP Evangelisch-Freikirchliche Gemeinde, Bodemannstr. 11-18, 6380 Frankfurt. Tel: 05196-643326. German & English. Sunday & Wednesday 19:30. Pastor M. Levey, member European Baptist Convention. "Declare His glory amongst the nations."

GENEVA
BETHLE INTERNATIONAL BAPTIST CHURCH, Am Dreieberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m. Dr. Thomas W. Hill, pastor. Tel: 069-549539.

HAMBURG
INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TAMBA FESTAHL, Am Schiffdamm 11, Hamburg-Ottendorf. Bible Study at 11:30 & Worship at 12:30 each Sunday. Tel: 040/622016.

HOLLAND
TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, women fellowship. Meets at Bloemendaalweg 14 in Wassenaar. Tel: 07151-90004.

KIAKOW
INTERNATIONAL BAPTIST FELLOWSHIP, U. Wyspiarskiego 4, First Sunday each month, 6:00 p.m. Gustav Caster, coordinator. Tel: 33 33 02 & 64 49 32.

MUNICH
INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzerstr. 9 English Language Services. Dr. B.C. Thomas, Pastor. Tel: 89 79 99 17. Mail address: Box 64, Budapest 1363.

PARIS AND SUBURBS
EMMANUEL BAPTIST CHURCH, 56 Rue des Bornes-Roisins, Neuilly-Matignon. An evangelistic church for the English speaking community located in the western suburbs. S.S. 9:45; Worship: 10:45. Children's Church and Nursery. Dr. B.C. Thomas, pastor. Call 47 51 29 63 or 47 49 15 29 for information.

INTERNATIONAL BAPTIST FELLOWSHIP, 6-30 a.m., 123 Ave. de Maine, St. Gobain. Near the Tour Montparnasse. The evening service of Emmanuel Baptist Church. Call 47 51 29 63 or 47 49 15 29.

WUPPERTAL
International Baptist Church, English, German, Persian. Worship 9 p.m., Friedlandstr. 64, Wuppertal - Rosenthal. All denominations welcome. Hans-Dieter Frenz, pastor. Tel: 0202/4698384.

ZURICH
INTERNATIONAL BAPTIST CHURCH of Wetzlar (Zürich), Switzerland, Rosenbergrasse 4, Wetzlar, Switzerland. Sunday mornings 11:00. Tel: 1-252 6222.

EUROPEAN UNITARIAN UNIVERSALISTS

UNITARIAN UNIVERSALIST Fellowship & contacts in Europe include:
BRUSSELS: Tel: (02) 65-36-45-70.
FRANKFURT/WIESBADEN: (49) 61-304-304.
GENEVA/BERN: (41) 31-304-08.
HEIDELBERG: (49) 6222-3716 or (49) 6223-16486.
MUNICH: (49) 89-690-2036.
NETHERLANDS: (31) 71-121083.
PARIS: (33) 1-42-77-9077.

ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST

BERLIN
AMERICAN CHURCH IN BERLIN, care of City Alee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel: 030-8132221.

BONN
AMERICAN PROTESTANT CHURCH, Sunday School 9:30 a.m., worship 11 a.m., Kennedy Alee 150. Tel: 0228 - 37 41 93

WARSAW
WARSAW INTERNATIONAL CHURCH, Prof. Andrzej English language expatriates, Sunday School 9:30 a.m., worship 11:30 a.m., Sunday School 9:55 (Sept-May) Ul. Miodowa 21. Tel: 43-29-70.

ZURICH
INTERNATIONAL PROTESTANT CHURCH English speaking, worship services, Sunday School & Nursery, Sunday, 11:30 a.m., Schanzengasse 22. Tel: (01) 262525.

Genoa Is Feting 500 Years Of Famed Son's Discovery

By Alan Cowell
New York Times Service

GENOA — As part of the 500th-anniversary celebration for its most famous son's arrival in America, this Mediterranean city, where Christopher Columbus was born, is offering a fair that will celebrate ships and the sea.

Boat sirens sounded as Italy's acting president, Giovanni Spadolini, inaugurated the exposition on Friday.

From now until Aug. 15, some 40 countries and organizations, including the United States, Japan and Italy, will show exhibits depicting their own special intimacies with the waters around their shores, and the ways in which they use and nurture them.

And, although this relatively small exposition seems eclipsed in advance by bigger European attractions, like Seville's international fair, the Olympic Games in Spain, and even Euro Disney near Paris, its organizers say it has a special claim.

"This is the first of a new exhibition type which is inside a city," its architect, Renzo Piano, said, referring to the fair's location on Genoa's old port, below the historic center of the city.

Genoa once rivaled Venice as the leading port of Italy's Renaissance and acquired the dubious reputation of declining to sponsor the explorations of Columbus, who was born in 1451.

To mold the five-hectare (12-acre) site to their liking, the organizers of the fair have renovated old buildings, including a 19th-century cotton warehouse, to house exhibits.

They also have constructed in the waters of the old port a 60-meter-high (200-foot-high) structure of masts and rigging to simulate the nautical theme of a deck-top cargo derrick.

It has cost, by the official count, \$650 million, but, even with the \$20 entrance fee, is unlikely to earn anything like that.

Underlying the preparations lay the theme of how Genoa, as a city, stands to benefit from the infusion of cash and interest.

LD BRIEFS

Military Outlay 8.4% — Finance Minister Sartaj Aziz said Pakistan's military outlay will rise to 8.4 percent of GDP...

Spread in Vladivostok — Huge explosions tore through the city over the past few days...

Spandreaou Is Dropped — The Greek parliament voted Friday to drop the case against Prime Minister Andreas Papandreaou...

Lizes Its Sedition Law — The amended law on sedition law Friday in Greece...

East German leader, has been invited to visit...

EL UPDATE — A smoking ban on domestic flights...

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NASA Sees Satellite Success as a New Beginning

By Kathy Sawyer — Following the dramatic space shuttle rescue, NASA sees what it hopes was a new beginning for the space program...

Mr. Goldin said the satellite rescue was not only a return to 'can-do' NASA of old but also a NASA moving forward...

Mr. Cover and General Stafford are also studying whether NASA should require satellite makers to design their spacecraft with grappling hooks...

Intelsat has said it does not intend to redesign its communications satellites, which are intended to head straight to a geosynchronous orbit...



Mr. Gorbachev sharing a laugh and lunch with Jacqueline Kennedy Onassis at the Kennedy Presidential Library in Boston.

Gorbymania: Ironic Shrugs Back Home

By Serge Schmemmann — Mikhaïl S. Gorbachev's heady swing through the United States has drawn something akin to an ironic shrug among his compatriots...

Such external 'capitalization,' judging from everything, has also been internal...

The longest account of the tour was in Komsomolokaya Pravda, which like Kuryanov injected large doses of irony into the reporting...

Health Workers Cleared Over AIDS

By Lawrence K. Altman — NEW YORK — Tests of more than 15,000 people have found no new cases in which patients were infected with the virus that causes AIDS...

The guidelines had been approved by Louis W. Sullivan, the secretary of health and human services...

But the medical and dental associations reversed position, saying there was no scientifically valid way to draw up such a list...



VOLLEY: U.S. Open Echoes

(Continued from page 1) planes from taking off over a park to taking off over people's homes...

Claire Shulman, the borough president, responded with a statement declaring her opposition to Mr. Clinton's tone...

Duncan Pardue, an aviation agency spokesman, said that until the data and complaints from the test were evaluated...

Neighbors talk about how many planes they counted out in the past day, but in the past hour...

Inquiry in Mine Deaths — The Associated Press HALIFAX, Nova Scotia — The provincial government appointed a Nova Scotia Supreme Court Justice Friday to head an investigation into the coal mine explosion May 9 that killed up to 26 miners...

MONACO GRAND PRIX — The 1992 Monaco Grand Prix will be held on May 24-26 at the Circuit de Monaco...

AMERICAN TOPICS

Hands on the Wheel, Not on the Car Phone

This is National Cellular Safety Week for the 4 million people who own car telephones...

Short Takes

Paul E. Tsongas dropped out of the presidential race too soon, writes Kevin Haynes in the Washington Post...

Mother's Day Is More Than Just a Meal Out

Many people complain that Mother's Day has been over-commercialized, says Stephanie Coontz...

Clinton Scolds the Education President

By Gwen Ifill — LOS ANGELES — Bill Clinton is framing education as a major focus of his fall campaign...

Fires in Kuwait Raise Doubts on Nuclear Winter

WASHINGTON — Scientists studying the Kuwaiti oil fires caused by the Gulf War were surprised to find that smoke clouds from the fires did not travel far...

Shamir Accuses the U.S. of Trying To Force Israel Back to '67 Borders

By Clyde Haberman — JERUSALEM — Prime Minister Yitzhak Shamir said in a published interview Friday that the United States was trying to force Israel to yield nearly all of the territory that it had captured in the 1967 Middle East war...

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Table with columns: Country/Currency, 12 months, 6 months, 3 months. Lists various countries and their exchange rates.

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Herald INTERNATIONAL Tribune

Heroism but No Miracles

Those three space-suited astronauts did more than salvage a communications asset Wednesday night. They saved the space program from ignominious failure.

resourcefulness saved the day. Three of them ventured forth in the largest spacewalk ever and jointly grabbed the space program from ignominious failure.

The Yugoslav Calamity

Serbia Must Be Isolated

The news from Yugoslavia becomes ever more calamitous. Serbian incoherence in pressing the attack in Bosnia is forcing the United Nations, far from substantially increasing its ranks as the crisis requires, to thin its already minimal presence in the besieged and battered Bosnian capital of Sarajevo.

peacekeeping — and of mediation by the European Community. It is a moment for other countries to do what they can in the absence of a general readiness for a military intervention.

Recognize Macedonia

The United States has rightly distanced itself from the aggressor gnat now running Serbia, but it still will not recognize the peacefully inclined former Yugoslav republic of Macedonia.

nia or Bulgaria will move into Macedonia and endanger Greece. Both do have longstanding territorial claims, though they lack the means to exercise them.

Other Comment

A Surprise for Israel

The announcement Tuesday that the United States supports the Palestinian Arab "right of return," as stipulated in a UN General Assembly resolution of 44 years ago, is perhaps the most shocking of the many surprises the Bush administration has sprung on Israel.

Investing in the Cities

If lenders had taken just a fraction of the millions they squandered on bad loans to real estate speculators and leveraged buyouts in the 1980s and had invested the money instead in urban America, cities might be better off today.

Yugoslavia: Costs of a European Failure

By Stephen S. Rosenfeld

WASHINGTON — Beyond the death and suffering, what stuns people about Serbia's aggression in Yugoslavia is that it proceeds in a region, Europe, where that sort of thing is not supposed to happen any more and where a full set of institutions and procedures ostensibly is available for rescue service.

republican CSCE — the Conference on Security and Cooperation in Europe — could not bring itself to uphold security and cooperation in Europe by throwing out Serbia.



Tailoring Yugoslavia

America Turns Its Back on a Bold Kurdish Gamble

By A. M. Rosenthal

NEW YORK — The chance was lying there for weeks — the opportunity for the United States to make a gesture in support of a people it had betrayed.

During the Gulf War, President George Bush mused aloud about wishing the Iraqi people would rid him of Saddam Hussein. The Kurds, trusting America, rose against the man who had murdered during all the years of his reign.

Underclass Blues: No End to the Downward Squeeze

By Edward N. Luttwak

WASHINGTON — Early on, President George Bush blamed the welfare system for the Los Angeles riots, and his logic was impeccable. His traditionalist populists that lost their traditional economic roles — peasants without lands, nomads without pastures, hunters without prey — were soon killed off by famine.

declass jobs from above is significant for its wider implications. In Washington, even waiters and waitresses tend to be white high school graduates, often with some college education, and all over the United States permanently laid off industrial workers have taken such traditional underclass jobs as janitors and warehousemen.

For Vietnam, Hopes of Dragonhood

By Clare Hollingworth

HANOI — Vietnam is rapidly improving its relations with the pro-American Association of South East Asian Nations and working hard in commerce and industry in hopes of becoming the fifth "Little Dragon."

There are, naturally, some snags to Vietnam's becoming the fifth Little Dragon. There are no taxis in the two big Vietnamese cities. Businessmen, with luck, hire a car for the day; otherwise they must fall back on the bicycle, a hard chair in front of a bicycle. Roads are bumpy, and like all the infrastructure in both North and South — especially power plants, and phone and mail services — urgently in need of renewal.

The Devils They Know, And Others

By Leslie H. Gelb

BERLIN — Bill Clinton will not be happy to hear what German political and business leaders say about him. Nor will George Bush be thrilled by their opinion of him.

Indiana tried to get the State Department to allow private Americans to go back home to visit. Assistant Secretary of State Janet G. Mullins says that if the Kurds wanted observers, let them go ask any of the "growing number of democrats around the world."

celebrated globalization of the economy could have had quite different results if more and more capital had been invested to provide American workers with superior equipment and if public education and industrial training had been constantly upgraded to preserve their skill advantage.

Mr. Luttwak, of the Center for Strategic and International Studies, is writing a new book, "The Third Worldization of America." He contributed this comment to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Venezuela Uneasy NEW YORK — Popular excitement is steadily increasing in Caracas as news of General Crespo's victories arrives. A hundred citizens have been arrested by President Palma's forces without waiting, upon suspicion of having aided General Crespo, who also captured the city of Bolivar, on the Orinoco. Fresh revolts are reported in the Western States of Venezuela, while rebel gains in the Southern districts are rapidly increasing through desertion from President Paez's forces. General Crespo obtained control of the Orinoco River, and Caracas is consequently bracing itself for further advances.

1917: Votes for Women LONDON — Mr. Walter Long, Colonial Secretary, introduced the Representation of the People Bill into the House of Commons this afternoon (May 16). The main principles of the bill comprise votes for women above the age of thirty years. The government will leave to the discretion of Parliament the questions relative to votes for women and proportional representation. Such a bill marks the first time women are to get votes along with sailors and soldiers.

Vertical text on the right edge of the page, including "UN Vote To Keep Trying Council Pers... in Bosnia..." and "BRITISH As Over..."

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOCCUR, Executive Editor...

UN Votes To Keep Trying Council Perseveres On Bosnia Peace

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — The Security Council adopted a resolution on Friday urging Secretary-General Boutros Boutros Ghali to continue peace efforts in the former Yugoslav republic of Bosnia-Herzegovina despite his refusal to send peacekeeping forces there earlier this week.

The resolution, adopted unanimously by the 15-member Council, also implicitly rejected the secretary-general's warning that the United Nations might be forced to withdraw from the region altogether. It did so by reaffirming support for the 14,000-strong force it has sent to keep the peace in Croatia and Slovenia as well as for the European Community's mediation efforts.

The resolution demanded an end to the fighting in Bosnia-Herzegovina and an end to all outside interference by the Serbian-dominated Yugoslav Army and Croatian forces. It said disbanded federal troops must be disarmed and their weapons placed under international control.

The resolution's restatement of the Security Council's intention to remain involved in the Balkan crisis contrasted markedly with the pessimistic report that Mr. Boutros Ghali issued Wednesday, in which he warned that the United Nations might be forced to withdraw from the area altogether.

Uneasy Calm in Sarajevo

The worst fighting so far in Sarajevo, the Bosnian capital, gave way on Friday to an uneasy calm, wire services reported.

People sat at street cafes sipping coffee in the city center, but they made sure their tables were in sheltered spots because of the danger of sporadic shelling.

UN officials announced that the warring Serbs, Muslims and Croats had agreed to a new cease-fire. If the truce holds, they will meet on Saturday for more political talks.

(AP, Reuters)



Traders on the floor of the Manila stock exchange watching on Friday as a postelection run-up slowed. The Composite Index still inched up by 1.02 points, to a record high of 1,338.37 for the year.

Ramos Leads in Philippines

Santiago, Claiming Fraud, Vows to Hold Mass Protests

By William Branigan
Washington Post Service

MANILA — Former Defense Secretary Fidel V. Ramos took a narrow lead Friday in the slow counting of votes in Monday's presidential election as his chief rival, Miriam D. Santiago, denounced "wholesale electoral fraud" and said she would lead mass demonstrations to avert the "attempted rape" of Philippine democracy.

General Ramos, 64, whose candidacy was endorsed by President Corason C. Aquino, edged ahead in the field of seven contenders, gaining 24.5 percent of the votes for president tabulated so far by Media Citizens Quick Count, a private organization accredited by the official Commission on Elections.

With 12 percent of precincts reporting, Mrs. Santiago, a former judge, immigration commissioner and agrarian reform secretary, dropped into second place with 23.4 percent after having led in early returns since Monday.

Eduardo Cojuangco, a wealthy entrepreneur closely associated with former President Ferdinand E. Marcos, followed with 16.3 percent.

Imelda R. Marcos, the widow of the late president, became the third candidate to concede defeat. But she asserted that she had been cheated.

Earlier, the speaker of the House of Representatives, Ramon Mitra, in fourth place with 12 percent, and Vice President Salvador H. Laurel, running last with 1.9 percent, acknowledged that they had been defeated. A former Senate president, Jovito Salonga, was in fifth place with 11.5 percent.

Mrs. Santiago, 46, an anti-corruption crusader, said at a press conference that she would "personally lead a series of mass demonstrations" to thwart what she called "a deliberate, well-orchestrated nationwide scenario to cheat the Filipino people of the rightful results of our elections."

She said the rallies would be held in "key cities" throughout the archipelago, starting Saturday in her hometown of Iloilo in the central Philippines.

Mrs. Santiago sharply condemned General Ramos for spreading what she called "the absolute lie" that her early lead was based largely on returns from her

strongholds in urban areas and a few other regions, and for saying that he would overtake her when the rural vote came in.

While scattered cases of electoral fraud and other anomalies have been reported from a number of areas, almost all have been linked to local politics, rather than the presidential race.

Mrs. Santiago said her charge of "wholesale" fraud aimed at denying her victory was based on "logic and reason," but she offered no evidence or specifics.

Both the government and the Ramos campaign headquarters harshly rebuked Mrs. Santiago, calling her charges "premature" and "incendiary."

Western Defense: A U.K. Counterattack

By Joseph Fitchett
International Herald Tribune

PARIS — Debate about the future shape of Western military defense and the role of NATO has taken a new twist with Britain's call for a stronger Western European Union.

The British proposal is intended as a challenge to plans by Germany and France to set up a "Eurocorps" of 35,000 troops that could grow into a European army, with only marginal involvement in the Western alliance.

In calling for all new European forces to be put under the control of the Western European Union, which groups nine European members of the North Atlantic Treaty Organization, Britain hopes to curtail the proposed new force in a broader framework.

Failing that, the British initiative will highlight the dangers of a new force emerging in competition with NATO — a risk that might make other allied governments hesitate to join the force.

"One-upmanship — nice but too late in the game," a NATO official said Friday about the British move. The United States and most other allies worry that the French-German unit, with its own command, will undermine cooperation within NATO and weaken overall Western military cohesion.

The French-German corps will be unveiled by Chancellor Helmut Kohl and President François Mitterrand next week.

Britain's last-minute bid by Malcolm Rifkind, who became defense secretary after the Conservative election victory last month, clearly rejected the standing invitation to other Europeans to join the French-German corps.

Instead, he said, that unit — along with the British-Dutch amphibious force and other new multilateral European forces — should be "double-batted," operating both under NATO orders and in a Western European Union framework.

For Britain, this approach marks a retreat from earlier insistence that

the Western European Union should be subordinated to NATO — in contrast to French wishes of seeing the union handle defense for the European Community.

The British view, with support from Washington, prevailed late last year at the NATO summit.

NEWS ANALYSIS

meeting in Rome and at the Maastricht summit meeting of EC leaders. Both sessions promoted the Western European Union as a loose focus for greater European cooperation within the alliance.

Now the French-German move has forced London to tilt more toward the idea of a defense role for the Community. London still opposes creating a standing force for the Western European Union that might compete with NATO's command structure.

But Mr. Rifkind said that Euro-

pean governments should give more military substance to the Western European Union so it could mount operations in situations where NATO was not involved. These might include peacekeeping in Eastern Europe or interventions in Third World nations.

He added that European forces in NATO's rapid-reaction corps might operate under Western European Union command in crises — perhaps requiring humanitarian assistance — where U.S. forces were not needed.

The British initiative is unlikely to alter policy in Paris or Bonn, where officials maintain that a French-German force will complement — and not undermine — both NATO and the Western European Union.

But officials in Paris also insist that French troops, even when cooperating with German forces, will

not move in any way closer to NATO's military system.

Officials also make no secret of the fact that Mr. Mitterrand still resents NATO's decision last year to set up the rapid-reaction corps. This unit, led and largely manned by British forces, was announced at a moment when Mr. Mitterrand was weighing wider French participation in the alliance.

Mr. Mitterrand has been able to muster German support for stronger French-German military cooperation, partly because objections to Britain's domination of the rapid-reaction force have grown in recent months in the German military establishment.

Although German forces cannot be sent into combat outside the NATO area, the increasingly professional army will still be the preponderant allied ground force in Europe and would like a military role worthy of its size.

THATCHER: Warning of a 'Moral Catastrophe'

(Continued from page 1)

Major Holds to Course
Craig R. Whitney of The New York Times reported from London: Mr. Major on Friday played down the withering blast by his predecessor against the growing power of Brussels and Bonn.

The prime minister, who will begin a six-month term in the EC presidency in July, did not respond directly to Mrs. Thatcher's speech.

But Mr. Major has been steadily marking off a course that diverges from Mrs. Thatcher's as Europe just as sharply as on such domestic policy issues as her "poll tax" for local government services, which Mr. Major scrapped soon after he succeeded her.

Having won a new five-year term in general elections last month, Mr. Major believes that Mrs. Thatcher has had her say, according to the prime minister's aides.

"The prime minister wants us to be at the heart of Europe," one aide at No. 10 Downing Street said. The

most powerful symbol of this was the government's decision to allow Queen Elizabeth II to address the European Parliament in Strasbourg, France, on Tuesday — a journey Mrs. Thatcher never allowed her to make.

But the queen's speech, approved as a policy document by Mr. Major's government, was far more conciliatory in tone than Mrs. Thatcher's remarks. "We are all trying to preserve the rich diversity of European countries because, if that diversity is suppressed, we shall weaken Europe, not strengthen it," she said.

The sovereignty of Parliament, Mr. Major told the House of Commons on Tuesday, was "not up for grabs" in Europe.

But, as The Economist magazine noted Friday, "In extreme circumstances the Commons, unlike the Queen, still has it. But real, usable, day-to-day, power has been ebbing away from the place for years."

CRISIS: Bosnia Drives Home Failure of World Order

(Continued from page 1)

Russian Republic. "In Yugoslavia, we have 12,000 dead people as martyrs for the next generation," said Daniel N. Nelson, professor of Russian studies at Georgetown University and former foreign policy adviser to Representative Richard A. Gephardt, Democrat of Missouri. "We can't afford more monuments and more martyrs all the way to Tajikistan."

In Congress, there is virtually no demand for action.

"No one really has any good ideas," a congressional aide said, explaining why hearings are not being held on Yugoslavia. "The administration has done everything the Senate suggested: warnings, sanctions, the recall of the ambassador."

"Many people and organizations hoped to get involved and settle things promptly," said Mark Kramer, a fellow at the Harvard University Russian Research Center. "What they found was all their best efforts were for naught. It is a classic case of conflict between ethnic groups whose main desire is to kill one another. It is not amenable to outside mediation."

"A military solution would have required substantial commitment and the willingness to endure casualties," said Mr. Kramer, who is also a research fellow at Brown University's Center for Foreign Policy Development. "People aren't willing to pay that price."

Grim parallels are drawn by

Bush administration officials to the decision to send Marines into Lebanon in the early 1980s. In October 1983, 241 Americans died when their barracks was blown up by a car bomb.

In a speech in Washington on Wednesday, the UN secretary-general, Boutros Boutros Ghali, said that the United Nations could not operate in a place where there was no political will for peace.

"Peacekeeping must be based on the agreement of all parties," he said.

Officials, diplomats, and analysts say that, in retrospect, it should have been clear about a year ago that Yugoslavia was on the edge of crisis.

Since the death of Tito in 1980, long-suppressed ethnic tensions had begun to resurface. When in the late 1980s, the Soviet Union under Mikhail S. Gorbachev indicated that it would no longer interfere in Eastern Europe, the constraints on nationalism were largely lifted.

In June 1991, the republics of Slovenia and Croatia declared independence under non-Communist governments.

Jenonne Walker, a senior associate at the Carnegie Endowment for International Peace, said that "by July 2 last year, after the referenda in Slovenia and Croatia and the Serb tanks were leaving their barracks, it may have been too late to prevent the violence."

By the time, later in the year, that

the outside world was willing to do anything, "passions were aroused to the point where people weren't making rational calculations," she said.

Secretary of State James A. Baker 3d has been widely criticized for saying in Yugoslavia, last June, before Slovenia and Croatia declared independence, that the breakup of the Yugoslav nation would be a tragedy for all the republics.

Miss Walker said that his assessment was "absolutely right," but she added that it was a tactical mistake to cling too long after to hopes of salvaging the country.

Europe and the United States delayed recognition of the new republics for months, until prodded early this year by a German decision to do so.

The leader of Serbia, Slobodan Milosevic, took advantage of this hesitation to strengthen his political position by unleashing Serbian nationalism, said Kenneth M. Jensen of the U.S. Institute of Peace, a federally funded research organization.

Mr. Milosevic then negotiated disingenuously, Mr. Jensen said, including with Cyrus R. Vance, a special envoy of the UN secretary-general.

"When it became apparent there was not going to be a Balkan version of Desert Storm or for that matter some form of European armed intervention, then there was no reason to take Vance or any mediator seriously in Belgrade," Mr. Jensen said.

The tragedy of Yugoslavia revealed gaps in the repertoire of European security organizations, said Finland's prime minister, Esko Aho, who met on Wednesday with President George Bush and Secretary of Defense Dick Cheney. Finland is the home of the Conference on Security and Cooperation in Europe, which was designed to safeguard democratic principles and human rights.

"This experience of Yugoslavia will lead to a situation within the CSCE where conflict measures will have to be developed," the prime minister said in an interview. "The pressure to develop these measures will be urgent."

Britain and the United States have opposed moves to strengthen the conference. They have also shrunk from discussion of finding a role for NATO in future crises like that in Yugoslavia or Nagorno-Karabakh.

"Eastern Europe is a major historical challenge from which we are AWOL," said Miss Walker of the Carnegie Endowment.

Britons View the Royal Family As Overpaid and Out of Touch

Reuters

LONDON — Britain's royal family is overpaid and out of touch, according to a survey here. Many Britons said they believed that the royal family's role should be reviewed by Parliament.

Newspapers on Friday said a Gallup Poll for the BBC showed that the popularity of the royal family, which has been damaged by broken marriages, had reached a record low. Most people believed that too many members of the royal family got state money and that even Queen Elizabeth II was paid too much, the poll showed.

Among those polled, 62 percent said the divorce of Princess Anne, the Queen's only daughter, and the separation of her second son, the Duke of York, from his wife, had been damaging.

Slightly more than half of the Britons polled — 51 percent — did not think the royal family provided a good example of family life.

AID: Tokyo to Help Eastern Europe

(Continued from page 1)

major industrialized nations to pressure the Soviet Union to return the "northern islands."

The islands were seized by the Soviets in the last days of World War II, and arguments over their ownership have prevented the signing of a formal peace treaty.

Mr. Quayle reiterated U.S. support for Japan's claims, but neither endorsed nor criticized Japan's tactic of withholding bilateral aid, saying it was "an internal Japanese decision."

"I certainly detected a lack of enthusiasm to give assistance to Russia until the northern islands issue is resolved," Mr. Quayle said. But he said that Boris N. Yeltsin, the Russian president, "appears

not in a position to move" on the matter. "Maybe that will change."

Mr. Yeltsin is scheduled to visit Tokyo in the fall.

The ostensible purpose for Mr. Quayle's trip was to commemorate the 20th anniversary of Okinawa's reversion to Japan, after it was seized in one of the last and bloodiest battles of World War II. Japan used the anniversary as a chance to reaffirm the security relationship between the two countries.

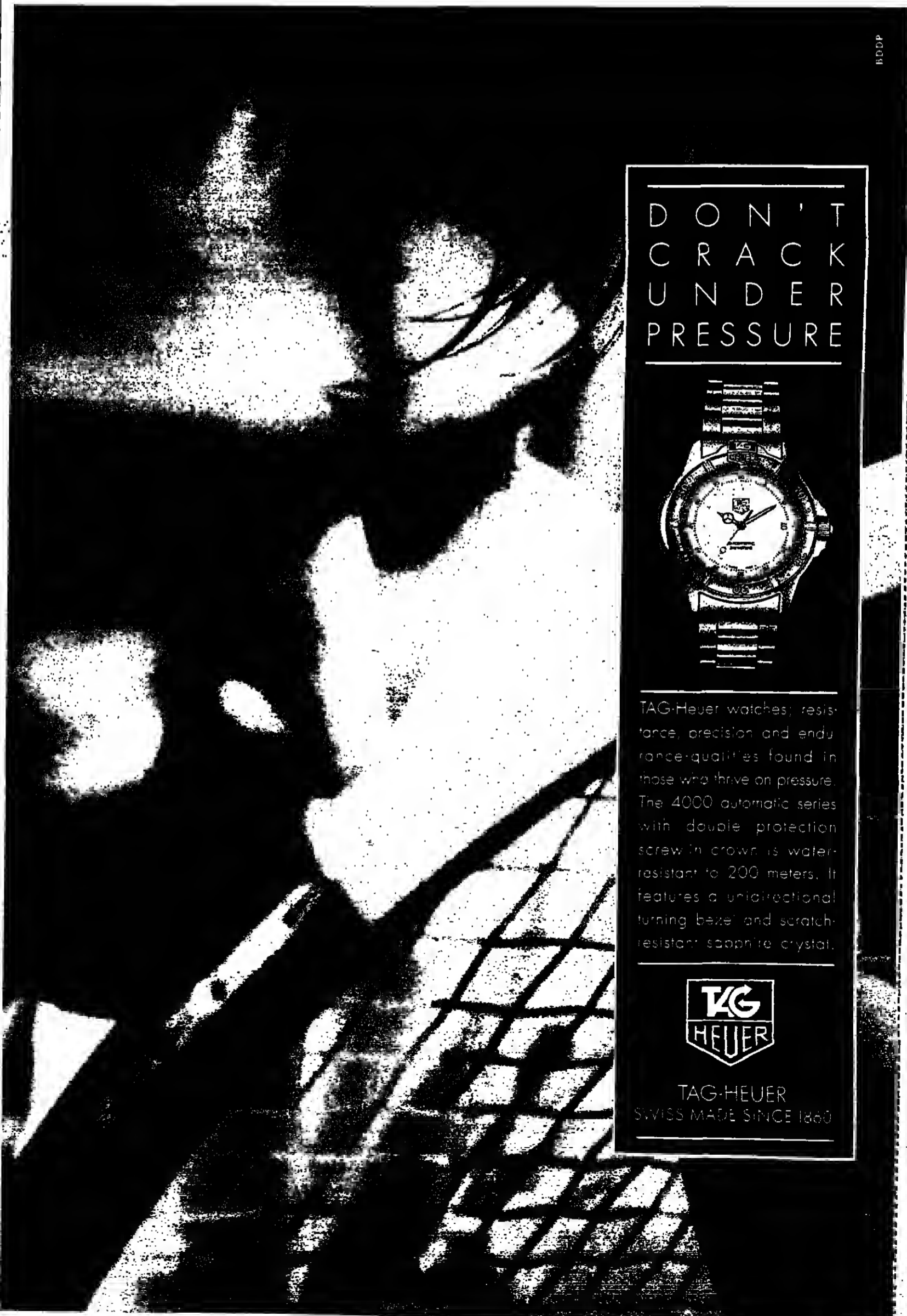
Mr. Quayle, who is well-liked here and has visited Japan more than any other senior official of the administration save for trade negotiators, picked up on the theme, scarcely mentioning cur, closed markets or any of the other themes that dominated Mr. Bush's visit.

Germany Frees Terrorist

Reuters

KARLSRUHE, Germany — A court here ordered the release Friday of a Red Army Faction guerrilla who served 15 years of a life sentence, the federal prosecutor's office said.

Günter Sonnenberg, convicted of attempted murder for shooting two police officers in 1977, will be released on five-year probation.



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Guimard Revisited

Much of His Work Has Been Destroyed

By Michael Gibson
International Herald Tribune

PARIS—Quite as much as Gustave Eiffel, though on a reduced scale, Hector Guimard—as an exhibition at the Musée d'Orsay reminds us—provided turn-of-the-century Paris with one of its most characteristic features, in his case the cast-iron Métro entrance.

These once omnipresent structures, with their prehensile ironwork, soaring green stems and buoyed, ominously glowing twin orange bulbs, might conceivably have provided H.G. Wells the anatomy of his Martian invaders.

Less fortunate than the Eiffel Tower, these structures have mostly been replaced. But a few have survived, mostly in the less favored parts of the city, lending a touch of nostalgia to the rare shabby streets where real-estate speculation and the hand-me-down modernist dogmas of the '50s and '60s have failed to make their mark.

Some structures have won belated protection as historical monuments. So have the few surviving instances of the more complex glass and cast-iron awnings that Guimard designed for some Métro lines. One of these still stands Porte Dauphine, another has lately been dismantled and moved from Hôtel de Ville to Abbesses in Montmartre.

Guimard's larger Métro structures, conceived in the style of full-blown railway stations for such cities as Exile and Bastille, were destroyed, the first of these in 1927. The one at Bastille was torn down in 1962 and sent with unseemly haste to a foundry in Lorraine to be melted down. The Métro administration apparently anticipated protest and wanted to dispose of the corpus delicti with all possible speed.

An intriguing aspect of some of these structures was the reverse slant of the glass and iron roof that flushed rain water down a central drain, instead of down the traveler's neck. Favorable critics compared such roofs to "a dragonfly's outspread wings," but others vented only contempt.

IT WAS Guimard's misfortune to have begun his professional career at the wrong moment, and to have died at the wrong moment, too. He was born in an age of transition, and his work understandably displeased stuffy traditionalists. But his "noodle" style, as it came to be called, also soon became anathema to the triumphant modernist disciples of Le Corbusier. Guimard was caught in a fatal ideological cross fire between the old guard and the avant-garde.

His true originality appeared in the way he created a whole new style of architecture and ornament, which extended to such details as door-knobs, bathroom tiles, wallpaper, vases, furniture and curtains. He also made an innovative floor plan for his apartments, with features that seem obvious to us now: bathrooms directly accessible



A photo of Hector Guimard in a gilt bronze frame of his design.

from the bedroom, and a clear separation of private quarters, service and reception areas. This is a feature of the six buildings he put up between Rue Gros, Rue La Fontaine and Rue Agar, which are still standing today.

Guimard often indulged in implausibly mannered and— from a modern point of view—hilarious conceits: The Castel Henriette at Sèvres, for instance (destroyed in 1969), and even more so his Castel d'Orgeval at Villamousson-sur-Orge (currently for sale), rise primarily from a narrow base with all the elegance and poise of an offended flamingo. Towers and bay windows jut out whimsically, balconies sprout from odd angles and the slant of the roof suggests a collapsing castle of cards.

The insides of the buildings were also designed, down to the last detail, by Guimard himself, and the exhibition includes a wide selection of his abundant creations in furniture and interior design, as well as plans and photographs of his buildings.

His most effective work as an architect was the palatial home he designed for the wealthy businessman Léon Nozal, on Rue du Ranelagh, which was torn down during a building boom in 1957; the Salle Humbert de Romans concert hall on Rue Saint-Didier, torn down in 1904, only a couple of years after it had been built, and the monumental synagogue in a narrow space on Rue Pavée that still stands.

Guimard died at the Adams Hotel in New York in 1942, and people in France learned of his death only three years later. His widow returned to France after the war to protect her husband's heritage and tried to donate the family home with all its furnishings to the state. The offer was declined and the destruction of much of the architect's work continued. It was only 15 years later, on the occasion of the important exhibition titled "Les Sources du XXème Siècle" that Guimard was finally admitted to the National Museum of Modern Art.

Hector Guimard (1867-1942), Musée d'Orsay, July 26, Musée des Arts Décoratifs et des Tissus, Lyon, Sept. 25 to Jan. 3, 1993.

Market Hums, but the Tune Is New

NEW YORK — The market is humming with activity once again, on every financial level. Few can doubt it after a four-day round of Impressionist and Modern art sales during which 430 works of art changed hands for \$101.8 million.

If there is a difference from what went on at the height of the craze between May 1988 and May 1990, this concerns a matter so trifling

SOUREN MELIKIAN

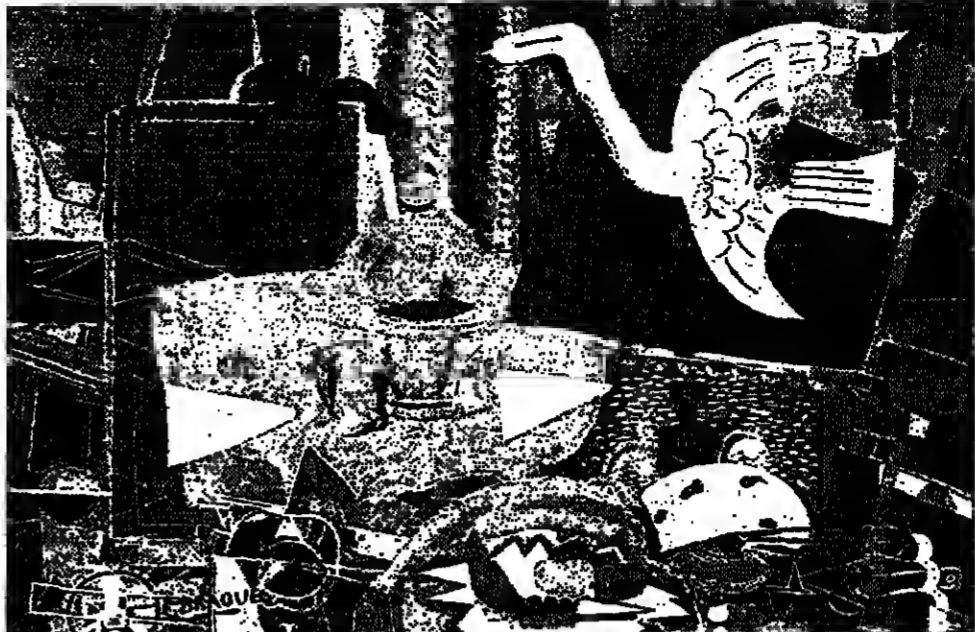
that auction-house spokesmen and dealers refrain from dwelling on it—prices have roughly gone down by half, resulting in severe losses for some vendors and reducing inventories. Sad perhaps, but healthy. The artificial rise whipped up by hiking "estimates" and reserves to satisfy speculative sellers has been wiped off the slate.

Even healthier is the new determination of auction houses, not expressed in statements and therefore not echoed in the media, but proven by figures, to buy in as little as possible and, if necessary, to ignore the estimates and sell for considerably less.

The honor of priming the pump was left to Christie's. On Monday the remains of the collection formed by Douglas Cooper, the late British art historian in love with Cubism, and by his adoptive son, William A. McCarty-Cooper, came first. Christie's refrained from discussing the private sale of the better part of the collection to the great American collector Leonard Lauder for a price believed to be in the area of \$30 to \$35 million. What remained retained the cachet of an authentic collection, which undoubtedly whetted the appetites of private buyers.

This makes all the more significant the resistance to "estimates" deemed too high. Sensing the mood, Christie's wisely gave in where possible. At the beginning, a preparatory drawing by Braque for the etching of a woman in the nude, done in 1907, failed to sell at \$26,000 despite its \$30,000 to \$40,000 estimate. An impression of the etching followed. It was allowed to go for only \$18,000 plus the 10 percent premium, although it carried the same estimate.

THERE were some spectacular compensations for these "losses." A 1927 drawing by Paul Klee donated its high estimate at \$77,000. A gouache and collage composition by the sculptor Henri Laurens shot up to \$154,000, about 140 percent above the high estimate. An exquisite Cubist collage and gouache executed by Picasso in 1914 was among the exceptions that sold in the middle of the estimate bracket. It cost the famous



Braque's "Atelier VIII," which fetched \$7.7 million in a Christie's auction.

Basel dealer Ernst Beyeler \$396,000.

Up and down continued up to the top of the financial scale. A Cubist still life "Guitar on a Table" painted by Juan Gris in 1916 made \$1.48 million, 10 percent less than the low estimate. But "Atelier VIII," done by Braque in the 1950s, soared to an astounding \$7.7 million, making the confused composition with lingering Cubist overtones, and a big white bird that clashes with these. It looks like an interior decorator's idea of a perfect Braque and may be considered by far the week's best-sold work.

ON Tuesday, still at Christie's, the price yo-yo continued. A small study in oils of a peasant girl carrying some sort of a can, hardly Renoir's greatest, found a buyer for \$198,000. This was far below the \$330,000 that Christie's hoped would be the minimum price. On the other hand, Manet's "Les Travailleurs de la Mer," not the artist's greatest either, climbed to a breathtaking \$1.98 million, exceeding the high estimate by half. The picture showing three sailors in a fishing boat tossed by gale force winds is sketchily done, reminding one of Soviet art celebrating the worthy proletariat.

Such variations suggest that auction houses are now willing once again to let the market follow its natural course—which is erratic. They are not nearly as inclined as they were two years ago to step in to keep prices within closely defined limits. For the new buyers who jumped on the art bandwagon in the mid 1980s, the consequences can be dire. This is illustrated by the curious case of Hermann

dancer by Degas from the Sidney E. Cohn collection for \$55,000, half the low estimate.

Thomas Ammann, the Zurich dealer, got an oval composition made by Braque of around 1913 for only \$550,000, when Christie's banked on a minimum \$770,000. Sometimes, however, no one seemed ready to pick up the bargain. Neither quality nor pedigree rescued a composition dated 1915 displaying all the distinctive qualities of Juan Gris—strong colors, a three-dimensional sense of space, an alacry contrasting with the somber mood of Picasso and Braque in their early Cubist phase. The Gris fell flat at \$475,000.

RICH collectors had a field day. Carl C. Icahn bought a subtle Sisyphus view of a village, painted in 1874 with a classical sense of composition and Impressionist brushwork. At \$660,000 it cost him \$110,000 less than the low estimate. He followed it up with a second Sisyphus, relatively inexpensive at \$22,500, and a twin pastel portrait by Mary Cassatt in 1913, "The Crochet Lesson," with little merit other than its price, \$935,000, again below the low estimate.

The French press magnate Daniel Filipacchi bought brilliantly first Magritte's "Les Travaux d'Alexandre," dated 1950, for \$660,000, and then Dali's "Les Sources Mystérieuses de l'Harmonie," of 1933, for \$467,500. Important as Sisyphus art is, both went for less than the low estimate.

Awareness that auctioneers are no longer in a position to force artificially high prices down their throats is galvanizing old collectors who hurry for pleasure. It is also attracting some new buyers who are nothing like the art raiders at 1989-90. They seem to look carefully and do not bid madly. Therein are the twin causes of the market's burgeoning renaissance.

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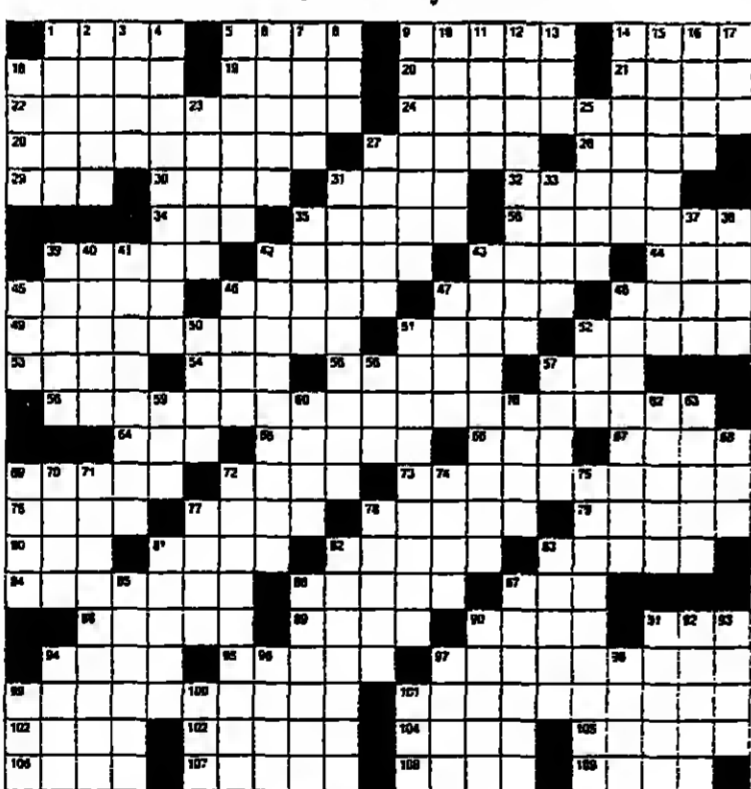
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- 1 Feeler
- 5 Wildcat
- 9 Wire
- 14 Hindu
- 18 Ramada
- 19 N.Y.S.E. membership
- 20 Hatred
- 21 Domini lead-in
- 22 Parade confetti
- 24 It runs from a graveyard to a river
- 26 Diacritics, e.g.
- 27 Shady accomplice
- 28 "Wouldn't—Lovely?"
- 29 Palindromic preposition
- 30 Tied
- 31 Composer Cesar's folk
- 32 J. J. or Mary
- 34 Sleep period
- 35 Cronyn's mate
- 36 Pessimistic Exchange style
- 39 Wear with an air
- 42 New securities offering
- 43 Claim
- 44 Vowel trio
- 45 The facts Colloq.
- 46 Like new bills
- 47 Used a straddler or scuffle
- 48 Satorin Freberg
- 49 Place for a beaver?
- 51 Corvine comments
- 52 Investment return
- 53 —Fishes ICYD Charaxes
- 54 Gossip
- 55 —ates
- 57 Poke
- 58 N.Y.S.E.'s birth certificate, 1792
- 64 Shoe width
- 65 Synthetic fabric
- 66 Hudson or Essex
- 67 Rake
- 69 Answer
- 72 Soft cheese
- 73 Nursery-rhyme pie filler
- 76 — in the Dark," 1988 film
- 77 Synagogue enclosures

N.Y.S.E.'s Bicentennial By Alfio Micci



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Solution to Puzzle of May 9-10

ACROSS
1. FEELER
5. WILDCAT
9. WIRE
14. HINDU
18. RAMADA
19. N.Y.S.E. MEMBERSHIP
20. HATRED
21. DOMINI LEAD-IN
22. PARADE CONFETTI
24. IT RUNS FROM A GRAVEYARD TO A RIVER
26. DIACRITICS, E.G.
27. SHADY ACCOMPlice
28. "WOULDN'T—LOVELY?"
29. PALINDROMIC PREPOSITION
30. TIED
31. COMPOSER CESAR'S FOLK
32. J. J. OR MARY
34. SLEEP PERIOD
35. CRONYN'S MATE
36. PESSIMISTIC EXCHANGE STYLE
39. WEAR WITH AN AIR
42. NEW SECURITIES OFFERING
43. CLAIM
44. VOWEL TRIO
45. THE FACTS COLLOQ.
46. LIKE NEW BILLS
47. USED A STRADDLER OR SCUFFLE
48. SATORIN FREBERG
49. PLACE FOR A BEAVER?
51. CORVINE COMMENTS
52. INVESTMENT RETURN
53. —FISHES ICYD CHARAXES
54. GOSSIP
55. —ATES
57. POKE
58. N.Y.S.E.'S BIRTH CERTIFICATE, 1792
64. SHOE WIDTH
65. SYNTHETIC FABRIC
66. HUDSON OR ESSEX
67. RAKE
69. ANSWER
72. SOFT CHEESE
73. NURSERY-RHYME PIE FILLER
76. — IN THE DARK," 1988 FILM
77. SYNAGOGUE ENCLOSURES

DOWN

- 1 Monastic officer
- 2 Alphabetic quinter
- 3 Contriver of Balder's death
- 4 Kind of stock form
- 5 Honor
- 6 Ache
- 7 Emulates Marky Mark
- 8 Had a little lamb
- 9 Boom material
- 10 Fresh as —
- 11 E.O.M. item
- 12 Slumber music
- 13 North Sea feeder
- 14 Tailor
- 15 He's three sheets in the wind
- 78 Tether
- 79 Nigerian seaport
- 80 Palindromic constellation
- 81 School gps.
- 82 Composer Grieg
- 83 Pitch pro
- 84 Certain commodities
- 86 Wing-shaped
- 87 Memorable
- 88 Hudson or Essex
- 89 Actor Calhoun
- 90 Secular
- 91 Disciple
- 94 "Serpico" author
- 95 Ela's speciality
- 97 Maybe
- 99 Where Ferdinand shops?
- 101 Standard & Poor's 500
- 102 Guadrun's victim
- 103 Jungle vine
- 104 Quebec's
- 105 Emulate Willem de Kooning
- 106 Phonograph record
- 107 Pianist son of Rudolf Serkin
- 108 Turgenev's birthplace
- 109 Photo attachment
- 110 N
- 16 Genu
- 17 Tap word
- 18 "Don't throw bouquets —" Hammerstein
- 23 Emulate W.W.'s Rosie
- 25 Cronus or Rhea
- 27 Dawn
- 31 Church-supper dish
- 33 Germ
- 35 Chinese dynasty
- 37 Validated
- 38 Female deer
- 39 Cancel a space irp
- 40 French soldier
- 41 In a rococo fashion
- 42 Sore
- 43 Printer's setting
- 45 NCO York, e.g.
- 46 Comb Comb form
- 47 German-born British artist Carl
- 48 Tundra dweller
- 50 Brogue or buck
- 51 Kind of bog in Wareham, Mass
- 52 Barbaco
- 56 Bruhaha
- 57 Schmo
- 59 "Brai Farrar" author
- 60 — You Ain't Ma Baby?
- 61 Every's partner
- 62 Sabine's neighbor
- 63 House style
- 68 Road curve
- 69 Aussie's air gp
- 70 Neutral shade
- 71 Clown's repository
- 72 Restaurant
- 74 Start of a D.H. Lawrence mfe
- 75 Financial-world eides
- 77 Surtio —
- 78 LSD advocate Timothy
- 81 Light refractor
- 82 Vagrant
- 83 Deceive
- 85 Fiano-Ligrie language group
- 86 Lebiase's Lupin
- 87 Kind of poem
- 90 Sierra —
- 91 Poona's locale
- 92 Redo'ence
- 93 Sermon subject
- 94 Maestro Riccardo —
- 96 Card game for three
- 97 Feather Comb.
- 98 Med. course
- 99 Naughty
- 100 Weishom, for one
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FRANCE

Art de Vivre



In France, a cup of coffee is never served in a plastic cup, and fresh fruits, vegetables and bread are still the norm. Buy a simple cake in a French *boulangerie* and the shop assistant will wrap it in fancy paper like a precious gift, complete with shiny ribbons. And

she will always say *bonjour, merci* and *au revoir*. In spite of creeping Americanization and the pressures of modern life, the French still allow themselves to indulge in good food and drink, to appreciate the arts, to wear beautiful clothes and to do whatever pleases them.

There is no Anglo-Saxon-style guilt about wasting time or enjoying life too much when there is work to be done. There is no such thing as a half-hour lunch, and no one grabs a sandwich at his desk. Long vacations are considered the divine right of all, and pleasure-filled weekends are sacred.

Therein lies the charm of the country: harried foreigners can partake in this sybaritic life-style at least temporarily. Of course, that means finding a hotel of suitable character located in an agreeable place.

Whether *haut luxe*, old-world charm, high-tech convenience, designer chic or just simple comforts, French hotels offer endless variety. Most have the basics that everyone requires: a warm welcome, a comfortable and clean room, good service. It is those extra touches that make a stay special, whether its purpose is business or pleasure.

Advance planning is vital to finding the perfect hotel, especially in Paris. With all its conventions, fashion shows and tourists, finding a hotel in Paris can be a nightmare. Here are a few suggestions.

The *Hôtels l'Horset* group has four locations in

Paris, but this is not a hotel chain with standardized decor: each one of these luxurious hotels retains its individual charm.

The *Hôtel l'Horset Astor Madeleine* has a 19th-century interior and handsome wainscoting that conform to the group's slogan: "Charm and tradition in the heart of town."

Horset's *Opéra* location, near Paris's major department stores, has its own understated elegance. The nearby *Pavillon* has authentic Belle Epoque interiors complete with stained glass, frescoes and wood paneling. The *Saint-Cloud* is located in Paris's posh 16th *arrondissement*, home of the city's elite. Two smaller hotels, *Saint Augustin* and the *Washington*, have just opened in Paris.

The Horset group also owns hotels in Blois, home of François I's magnificent castle, and in Cannes.

Paris Quartet is a group of four owner-managed Paris hotels, each with a courtyard garden and located on a quiet side street.

The *Union Hôtel Etoile*, in a residential neighborhood near the Arc de Triomphe, has 13 two- or three-room apartments with kitchenettes in addition to its 30 rooms, making it ideal for a family

vacation or a long stay in Paris.

The modern *Hôtel de Noailles*, near the opera house, is spacious, quiet, bright, colorful and elegant, with a Japanese-style garden.

On the Left Bank, near the Luxembourg Gardens, the *Hôtel de l'Abbaye Saint-Germain*, with its refined decor, 19th-century furnishings, beds of copper or bamboo and marble-lined bathrooms, also has six duplex suites with private terraces.

In the Latin Quarter, the tastefully contemporary *Select Hôtel*'s interior garden is crowned with a pyramid-shaped skylight and watered by a trickling fountain.

At the *Hôtel Victor Hugo*, located between the Eiffel Tower and the Arc de Triomphe, one can breakfast in the "winter garden" year-round. Marble bathrooms add that extra touch of luxury to this tranquil hotel.

L'Hôtel Pergolese bills itself as "your house in Paris." Of course, not many of us have houses with decor and furnishings signed by star designers Rena Dumas, Philippe Starck and Hilton McConnico, but one can pretend while staying there.

Great attention has been paid to every detail in this 40-room hotel, from bathroom fixtures to warm color combinations and lighting, with a result that is clean and modern without being cold.

Located between Porte Maillot and the Place de l'Etoile, the hotel has air-conditioned and soundproofed rooms facing ei-

ther a side street or the courtyard.

Although the Restoration-style *Hôtel de l'Elysée* promises "quiet luxury in the business center" of Paris, it is also located conveniently near designer-clothing shops on the Rue du Faubourg-Saint-Honoré and the city's best cinemas on the Champs-Élysées. The 32 rooms are sumptuously decorated with floral wallpaper and hangings.

The charming *Hôtel Albert Ier*, conveniently located between two central train stations, the Gare du Nord and the Gare de l'Est, is within walking distance of Montmartre and the Sacré Coeur.

Those with artistic bent will appreciate L'Hôtel Bersoly's *Saint-Germain*, centrally located near the Musée d'Orsay and the antiquities quarter in the seventh *arrondissement*. Each of its 16 rooms is dedicated to an artist, including Marc Chagall, Henri Rousseau and Pablo Picasso.

The room dedicated to the latter, with its interior mini-garden, comes highly recommended. This redecorated 17th-century house exudes taste, charm and serenity, and the house "black-and-white" dogs add a friendly touch.

Art Deco elegance characterizes the *Raspail Hôtel*, built in the 1920s and once frequented by young American artists who turned the back room into a rowdy poker salon. The 38 rooms and two suites in this tastefully restored hotel are soundproofed and air-conditioned.

Nip out for oysters at the Bar à Huitres next

door, or for a cocktail across the street at Le Dôme, once a hangout of Modigliani, Stravinsky, Picasso and the ubiquitous Hemingway. Owner Pierre Branche says he "knows and loves each guest like a member of the family."

The *Hôtel Acadias Saint Germain* offers a romantic summer garden, 41 recently renovated rooms and a wide range of services usually only offered by larger hotels: 24-hour baby-sitting, mini-bus excursions, restaurant and entertainment bookings, airport transportation and the whole spectrum of business services, including fax, telex, a conference room and secretarial and translation services.

Still in the Saint-Germain area, the *Odeon Hôtel* is right next to the Théâtre de l'Odeon and the Luxembourg Gardens on the historic Rue de l'Odeon, once the home of Sylvia Beach's legendary bookstore, Shakespeare & Co.

This small (34 rooms), friendly *hôtel de charme* has a beamed lobby and wonderful four-poster beds in some of the rooms, all of which are individually decorated.

A restored 19th-century *hôtel particulier* is the home of the *Hôtel Ferrandi*. Each room is decorated differently and some have four-poster beds, but none lacks in the kind of luxury that makes a guest feel pampered and privileged. Art galleries, rare book and antique dealers abound in the neighborhood.

Les Relais du Silence specializes in just that: silence. It is an association of 250 independent hotels in Europe and Canada that have in common a commitment to providing a calm, quiet, friendly environment for guests to whom rest and relaxation are all-important.

That includes special attention to comfortable bedding and a quiet location in the countryside or a small village. To obtain their catalog, contact them at 2 passage du Guesclin, 75015 Paris; tel: (33-1) 45.66.77.77.

Three Relais du Silence hotels are located in Paris. The *Hôtel des Tuileries*, an 18th-century mansion on a quiet side street in the heart of Paris near the Place Vendôme and the Tuileries Gardens, fits right into its historic setting with its elegant furnishings.

The *Hôtel Eber* benefits from its proximity to the Parc Monceau, one of the city's most beautiful parks, and from the good taste that has gone into its decoration in a mixture of complementary styles.

The *Hôtel Etoile Péreire*, an island of calm near the busy Etoile intersection, promises a selection of 24 exquisite rooms for breakfast.

When it is time to get out of the city, France offers a plethora of glorious country hotels and inns, many of them in châteaux.

For a taste of an area where few foreigners penetrate, the Auberge des Chasseurs, located at the foot of the Jura mountains, is a country house decorated with simple, woody elegance.

Add a beautiful garden, a view of the Alps, a swimming pool, a fine restaurant, seminar rooms and nearby golf course and horseback riding, and the picture is complete.

Moulin Etape is a group of 49 hotels in France, Belgium and Luxembourg dedicated to the precept of peace and quiet for its visitors. Every one of Moulin Etape's hotels is located in a renovated mill.

In France, Moulin Etape has 40 hotels, ranging from one to four stars, and six restaurants, each with its own particular charms and all with the soothing presence of nearby running water, always a palliative for frazzled nerves.

Another peaceful haven is the beautiful Logis Saint-Martin, situated halfway between Paris and Bordeaux beside the Poitou marshes, ideal for quiet walks or bicycle rides. Charming interiors, fine cuisine and a lovely garden complete the scenario for a relaxing vacation.

Enjoy a marvelous view of the Provencal landscape and a medieval village from the gardens and terraces of the 16th-century

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Heidi Ellison, a Paris-based writer and editor.

PARIS QUARTET HOTELS

FOUR OWNER-MANAGED HOTELS Spread across PARIS Each with a courtyard Toll free fax from U.S.A.: (1) 800 524 6554



HÔTEL DE L'ABBAYE
Saint-Germain
10, rue Cassette
75006 Paris
Tel: (1) 45.44.38.41
Cable Abotel
Fax: (1) 45.48.07.86

An 18th century townhouse between courtyard and garden offering a refined mixture of tradition and modern comfort in the heart of the fashionable left bank quarter. 41 rooms, 4 of which are suites with private terraces.



HOTEL DE NOAILLES
75002 Paris
Tel: (1) 47 42 92 90
Tlx: 24044F
Fax: (1) 49 24 92 71

The serenity of the Japanese garden and decoration make for an oasis of peace in central Paris, very near the Opéra. 58 large, well-lit rooms, meeting room for 20. The unmistakable quality of simplicity and purity.



SELECT HOTEL
1 pl. de la Sorbonne
75005 Paris
Tel: (1) 46 34 14 80
Fax: (1) 46 34 51 79

Contemporary elegance in the heart of the Latin Quarter. 67 rooms + 1 duplex suite offering the perfect mix of modern comfort and old world charm. The interior garden and fountain add a soothing touch to this special hotel.



UNION HOTEL ETOILE
rue Homelin,
75116 Paris
Tel: (1) 45 53 14 95
Tlx: 611374F
Fax: (1) 47 55 94 79

42 large, pretty rooms and residential apartments overlooking a private garden on a quiet, calm street near Etoile. The perfect spot for business, entertainment and shopping. Private bar. Excellent service.

HOTEL BERSOLY'S SAINT GERMAIN

28 rue de Lille, 75007 PARIS
Tel: (33) 1 45.44.38.41 Fax: (33) 1 45.48.07.86
Close to Musée d'Orsay and the Louvre, a charming 17th cent. townhouse beamed ceiling, vaulted cellar, bar/breakfast room, 16 well-equipped comfortable rooms with full bath, hair dryer, direct dial phone, cable, T.V. Individual safe deposit box. Price 550 - 650 FF.



Stepping out of your hotel, on the left there's the Théâtre de l'Odéon, the Luxembourg gardens and, just behind, Montparnasse and its cafe. On the right, there's the Saint-Germain-des-Près, the river Seine, the new Orsay Museum, the Louvre and a few steps further, Boulevard... The Odéon Hôtel, 34 charming rooms in the heart of Paris.

Tel: (1) 43 25 90 67. Telex: Odéotel 202 943 F. Fax: (1) 43 25 53 98.

HOTEL FERRANDI

A 19th cent. townhouse in the peaceful part of St. Germain des Près. Refined comfortable rooms. A hotel & friends welcome.
52 rue du Lion-brûlé, 75006 PARIS.
Tel: (1) 42 22 97 10 Fax: (1) 45 44 89 97

HOTEL DE L'ELYSEE

Quiet luxury in the business center. A few steps from the Fg. St-Honoré & the Champs-Élysées. 32 refined & comfortable rooms.
12 rue des Saussaies, 75008 PARIS
Tel: (1) 42 65 29 25 Tlx: 28/665F

HOTEL EBER
Calm Street near Parc Monceau Parking nearby
18, rue Léon-Jost 75017 PARIS
Tel: (1) 46 22 89 70 Fax: (1) 47 83 81 81 Tlx: 649 949 F

PARIS GARE DU NORD HOTEL * ALBERT 1^{er}**
162, RUE LAFAYETTE 75010 PARIS
Tel: (1) 40 30 55 42
ENTIRELY RENOVATED WOOD-PROOF AIR-CONDITIONED ROOMS

HOTEL ETOILE PEREIRE
Facing Tuileries Garden Near Etoile and Champs-Élysées
146 bd Pereire 75017 PARIS
Tel: (1) 42 87 80 00 Fax: (1) 42 87 02 90

HOTEL MONTPARNASSE
A charming 41-room hotel with summer garden in the heart of the Latin Quarter. St-Germain-des-Près - Montparnasse T.V., Minibar, Business facilities, etc.
SPECIAL EURODISNEY PACKAGE DEALS
151 bis rue de Rennes, 75006 PARIS
Tel: (1) 45.48.97.38 - Fax: (1) 45.44.63.57 - Tlx: 250 048

RASPAIL
MONTPARNASSE
Charming and comfortable in the heart of Montparnasse. Arts and business center. 38 sound-proof and air-conditioned rooms.
203 Boulevard Raspail, 75014 Paris
Phone: 33-1 43206286 Fax: 33-1 43206079

HOTELS L'HORSET
CHARM AND TRADITION IN THE HEART OF TOWN
CENTRAL RESERVATION: Tel: (1) 42 25 00 88/Fax: (1) 49 53 90 04
16, avenue Hoche - 75008 PARIS Tel: 642 718

ASTOR MADELEINE 11, rue d'Assas - 75003 Paris Tel: (1) 42 66 50 56 Fax: (1) 42 65 18 37 Tlx: 282 676
OPERA 18, rue d'Assas - 75002 Paris Tel: (1) 44 71 81 80 Fax: (1) 42 66 55 54 Tlx: 282 676
PAVILLON 38, rue de l'Étoile - 75010 Paris Tel: (1) 42 46 92 75 Fax: (1) 42 47 88 97 Tlx: 253 935
SAINTE-CLOUD 21, rue Cailin - 75016 Paris Tel: (1) 46 51 99 22 Fax: (1) 46 51 07 24 Tlx: 645 929
SAINTE-AUGUSTIN 21, rue Regnier - 75008 Paris c/o Central Reservations
WASHINGTON 43, rue Washington - 75008 Paris c/o Central Reservations
BLOIS 25, avenue Montaigne - 41000 Blois Tel: 54 74 19 00 Fax: 54 74 67 97 Tlx: 282 728
CANNES SAVOY 5, rue François Bayard - 06400 Cannes Tel: 92 99 72 00 Fax: 93 68 25 39 Tlx: 461 873

L'HOTEL PERGOLESE
Light, color, harmony... That's what comfort is about.
The warmth of parquet-wood, armchair-leather, & rug-wool enhanced by the purity of modern design in a setting of 4-star hotel, just a few blocks from the Arc de Triomphe.
Experience the refinement in details and a unique decor by Rena Dumas.
3, rue Pergolée, 75116 Paris. Telephone: (1) 40.67.96.77. Fax: (1) 43.00.12.11. Telex: 651 618



HEIDI ELLISON

Paris, tel.: (33-1) 43.54.79.99.

Three Relais du Silence hotels are located in Paris. The Hotel des Tuileries, an 18th-century mansion on a quiet side street in the heart of Paris near the Place Vendôme and the Tuileries Gardens, fits right into its historic setting with its elegant furnishings.

The Hotel Eber stands prominently in the heart of Paris, one of the city's most beautiful parks, and from the good taste that has gone into its decoration to a mixture of contemporary styles.

The Hotel Etoile Perle, an island of calm near the busy Etoile intersection, promises a selection of exquisite jams for breakfast.

When it is time to get out of the city, France offers a plethora of glorious châteaux, hotels and inns, many of them in châteaux.

For a taste of an area where foreigners prefer to stay, the Auberge des Chausseurs, located at the foot of the Jura mountains, is a country house decorated with simple and elegant elegance.

Add a beautiful garden, a view of the Alps, a swimming pool, a fine restaurant, seminar rooms and a tennis court, and the picture is complete.

Moulin Etape is a group of hotels in France, Belgium and Luxembourg, each with its own particular character and all with the same presence of nearby swimming water, always a favorite for frazzled travelers.

Another peaceful haven is the beautiful Logis Saint-Martin, situated in the heart of Paris and Bordeaux. Beside the Pointe de la Gironde, it offers a quiet walk on bicycle rides. Lush interiors, fine dining and lovely gardens complete the scenario for a relaxing vacation.

For a panoramic view of the Provencal landscape and a medieval village in the gardens and terraces of the 16th-century

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune, advertising department. It was written by Heidi Ellison, a Paris-based writer and editor.

OF THE TOWER HOTEL... VICTOR HUGO HOTEL... 110 rue de la Harpe... Tel: 43 52 76 01... Fax: 43 52 49 52

OF THE TOWER HOTEL... VICTOR HUGO HOTEL... 110 rue de la Harpe... Tel: 43 52 76 01... Fax: 43 52 49 52

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ADVERTISING SECTION

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Why are foreigners so charmed by France? First, because of Paris's harmonious architectural beauty and stunning monuments. Second, because the same sense of harmony extends to the smallest details of life.



CHATEAU DE VERRERIE



CHATEAU DE CHAILLY



CHATEAU DE BARIVE

Hostellerie Le Beffroi, with its privileged hilltop location, individually decorated rooms and antique furnishings.

Don't be surprised if the **Château de Remainsnil** brings to mind Laura Ashley — she used to live there. This impressive chateau was restored and decorated by the famous flower-loving designer and is furnished with museum-quality antiques. A charming, outbuilding houses a conference center.

Located near Carcassonne on the old Roman road to Narbonne, the elegant, ivy-covered **Château de Violet** offers all the charms of a stay in a private country house.

The 13 comfortable rooms and suites overlook parks and terraces, and the kitchen prepares regional cuisine with a difference. The welcome here is always friendly and personalized.

La Vie de Château, an association of 140 private, owner-occupied residences in nine countries, promises a warm and personal welcome to all guests, who are assured that they will experience authentic chateau life.

In France, the graceful **Château du Marais** near Nevers, built on 12th-century ruins, has a 14th-century dungeon, a 16th-century tower and its original moat.

The newly renovated **Château de la Bourdaisière** near Tours is an ideal base from which to explore the other magnificent châteaux of the Loire Valley.

The **Château des Briottières**, located near Angers, has been in the same family for six generations and has served as a film set.

The 17th-century **Château de la Commanderie** in the heart of George Sand country near Bourges, has never changed owners and is renowned for its fine cuisine.

The fairy-tale **Château de la Verrerie**, built by the Stuarts of Scotland, sits alongside a private lake near Sancerre.

The **Manoir du Quesnay** near Bayeux is an impressive fortified farmhouse that has been completely restored.

With its formal French gardens and wooded park, the **Château de Blauville**, located outside of Chartres, is fit for kings but also provides conference rooms for business meetings.

French kings were actual guests at the **Château d'Étoges**, a handsome castle in Champagne.

Stonehenge has nothing on the **Château de Thoiry**, located not far from Versailles, which was designed to capture the rays of the sun to mark the summer and winter solstices.

More heavenly forces are perhaps at work at **Château de Camon**, a beautifully preserved monastery set in a sweeping landscape in the Pyrenees near Carcassonne.

The **Châteaux Hôtels Indépendants** and **Hostelleries d'Atmosphères** group has 438 hotels, including 228 chateau hotels, located all over France, making it the country's biggest hotel group. Atmosphere, character and variety are the criteria for the hotels' selection.

To receive a copy of their detailed guide to the hotels, complete with maps and information on

cultural events and tourism in each area, contact CHI, 15 rue Malebranché, 75005 Paris; tel.: (33-1) 43.54.79.99. A color photograph of each hotel illustrates this wish book.

The guide contains such treasures as the **Château de Rochebonne** in the Loire Valley, the former home of Talleyrand; the **Château de Kéravron**, set in a six-acre park in Brittany, with its moat, ruined drawbridge, watchtowers and Renaissance well and dungeon; the fantastic **Château de Ennonville** near Paris, where Jean-Jacques Rousseau spent his last days; or the more intimate **Manoir de Brignac** in the Périgord, a venerable manor house in a bucolic setting.

The **Château de Chailly** in Burgundy, a medieval fortress during the reign of Charles the Bold, was later renovated in the Italian Renaissance style and is now classified as a national monument.

The hotel retains all the charms of its past — including vaulted ceilings and exposed beams — in 40 rooms and five suites decorated in traditional style with modern touches. Leisure facilities include a heated swimming pool, 18-hole golf course, tennis court and banquet rooms.

This luxury hotel also caters to businesspeople with in-room fax machines, seminar rooms, simultaneous translating and videoconferencing equipment. Fine Burgundian cuisine can be enjoyed in the Armançon restaurant.

The **Château des Alpilles** is an early 19th-century residence set in a park of 100-year-old trees. Owner François Bon and his daughter Catherine promise the atmosphere of "A Sunday in the Country."

Located near Saint-Rémy-de-Provence, a town at the foot of the Alpilles and just next to the abandoned hilltop vil-

lage of Baux and the ruins of the Roman town of Glanum, the hotel retains its 19th-century charm with antique furnishings while providing contemporary pleasures like a swimming pool, tennis courts and sauna.

France has its own island paradise that deserves to be better known: Corsica, the location of **Le Maquis**, a luxury hotel in a gorgeous seaside setting surrounded by flowering gardens.

Indoor and outdoor swimming pools with Jacuzzi complement the clear waters of the Mediterranean. Spacious, elegantly furnished rooms overlook the sea, and business services and seminar

facilities are available. There are also tennis courts and a solarium.

Napoleon himself, who was born in nearby Ajaccio, would have been happy here.

Although Monaco is an independent principality, it is really France with a twist. This tax haven brims with visible signs of wealth: furs, limos and winter fans are everywhere.

Where else to stay in Monte Carlo but at a palace? **Le Métropole Palace**, a few steps from the Casino, offers Belle Epoque interiors, excellent service and every conceivable amenity.

Owner Nabil Boustany says, "I spent eight years

creating a palace for those tired of hotels. My dream was to bring back the glamour of the Belle Epoque era while offering the advantages of a modern

luxury hotel." By all accounts he has succeeded with this sumptuous addition to a city filled with luxury hotels.

Heidi Ellison

Le Logis Saint-Martin
Hotel - Restaurant
St. Martin, between Paris & Bordeaux
Tel: 49 05 58 68 • Fax: 49 76 19 93

Le Métropole Palace
In the heart of Monte Carlo
SPECIAL PROMOTION
5 nights for the price of 2
From 1400 FF per night for 2 persons
VIP welcome, tax & service included.
Reservations:
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- Toll Free Numbers from:
Belgium: 078 11 88 47
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Germany: 01 30 81 70 40
Ireland: 1800 55 53 15
Italy: 1678 782 18
Spain: 900 96 33 24
Sweden: 020 795 406
Switzerland: 1 55 09 14
United Kingdom: 0800 89 79 43
* valid from April 1st until October 31st, 1992.
Subject to availability.
(excluding Grand Prix - 200599 mail 010602)

CHATEAU DE VIOLET ***
11180 Puyricard - Minervois
(25 km from Carcassonne)
HOTEL - RESTAURANT - VINEYARD
Cherries, terraces, grounds, pool, period furniture, calm, refined cuisine. Wine tasting and direct sale from property.
Tel: 68.78.10.42. Fax: 68.78.30.01. Telex: 505 077

CHATEAU DE ALPILLES HOTEL****
RD 31 - 13210 St-Rémy de Provence
Information - Réservation
Tel: 90 92 03 33 - 90 92 45 17

CHATEAU DES ALPILLES HOTEL****
In park with century old trees, 2 km from St-Rémy, France and Catherine BON will welcome you with charm and simplicity and will provide a refined and attentive service.
19 rooms and suites • Swimming pool • Sauna.

CHATEAU DE THOIRY
(16-de-France)
Owners: Comte et Comtesse de la Roche
Tel: 34 87 52 25 - Fax: 34 87 54 12

Châteaux
LA VIE DE CHATEAU
The only European association of 140 historical private Châteaux welcoming overnight guests

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CHATEAU DE LA COMMANDERIE (Loire Valley) Owners: Comte et Comtesse de Joubert-Camus Tel: 48 61 04 19 - Fax: 48 61 01 84	CHATEAU D'ETOGES (Champagne) Owners: Mme Félicie Noirelle Tel: 28 58 30 08 - Fax: 28 58 35 57
CHATEAU DU MARAIS (Burgundy) Owners: Comtesse Christine de Montaubert Tel: 86 21 00 55 - Fax: 86 21 05 05	MANOIR DU QUESNAY (Normandy) Owners: Mr et Mme Jacques Fouché Tel: 31 22 57 17 - Fax: 31 22 36 08
CHATEAU DE THOIRY (16-de-France) Owners: Vicomte et Vicomtesse de la Roche Tel: 34 87 52 25 - Fax: 34 87 54 12	CHATEAU DE LA VERRERIE (Loire Valley) Owners: Comte et Comtesse Antoinette de Vigné Tel: 48 58 06 91 - Fax: 48 58 21 25

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CHATEAU DE CHAILLY
Hotel **** 18-hole Golf Course
The heart of Burgundy, just 2 hours from Paris (A6 exit Pouilly-en-Auxois).
Hotel - Golf package for 2 (double occupancy): dinner, breakfast, lunch, green fee + one night's stay; 2,110 FF (May to October). Other possibilities available.
(*) Daily menu.
Information & Reservations:
Tel: 59 59 30 30. Fax: 59 59 30 00.

HOSTELLERIE "LE BEFFROI"***
Yves CHRISTIANSEN, owner
Tel: (33) 90 36 04 71 - Fax: (33) 90 36 04 78
Vile Medicvale - B.P. 85 VANDONIA ROMANE - 81110 Vandœuvre, France
16th cent. surroundings, terrace & flowered garden overlooking the countryside, calm, comfortable rooms with period furniture, Regional specialties, 11-place parking.

80600 DUILLIENS FRANCE
Tel: (33) 22 77 07 47 Fax: (33) 22 32 43 27
Tranquility & elegance in an unique 18th cent. chateau (former residence of Laura Ashley). Gourmet dinners at a table shared by international guests. Tennis, horse riding on site. For your dream weekends or longer stays. Half board from 880 FF

MOULIN ETAPE
invites you to visit its 48 hotels all housed in restored mills throughout France, Belgium, Germany and Luxembourg
Free catalog. Contact:
MOULIN DE CHAMERON
18210 Bannegon - FRANCE
Fax: 48 61 84 92 or 88 96 68 32 (include a coupon response int'l)

Le Maquis
A DROP OF PERFUME INSIDE THE FLOWER OF CORSICA
SPACIOUS LUXURIOUS ROOMS
Indoor/Outdoor pool, tennis, private beach, overlooking the sea in a garden paradise. Gourmet restaurant. Conference facilities.
LE MAQUIS 20166 PORTICCIO
Tel: 95 25 05 55 Fax: 95 25 11 70
Tlx: 460 597

CHATEAUX ET HOTELS INDEPENDANTS
438 HOTELS RESTAURANTS DE CARACTERE EN FRANCE

CHATEAU DE BARIVE
HOTEL****-RESTAURANT
17 rooms: 380 F to 780 F - Menu: 210 F - Carte
18th century estate, lost in 1200 acres of land, 20 minutes north of Reims, 50 minutes from newly opened EuroDisney and 1 1/2 hr from Paris. Heated swimming pool, Tennis, Sauna. Gastronomic restaurant. SAINTE PRELVE - 02350 LIESSE Tel: (33) 23 22 15 15 Fax: (33) 23 22 08 29

GOLF DE FONTENAILLES
HOTEL****-RESTAURANT
52 rooms: 1 100 F to 2 800 F - Menu: 120 F, 250 F - Carte
Historically rich setting, 4-star hotel, featuring suites, Gourmet cuisine, Club House bar, Sauna, Jacuzzi, 27 hole golf course, 250 acres of nature reserve. 1.5 hrs from Paris. DOMAINE DE PINS BOURDAN 77270 FONTENAILLES Tel: (33) 01 61 61 61 00 Fax: (33) 01 61 61 61 12

CHATEAU DU LANDEL
HOTEL** - RESTAURANT
18 rooms: 380 F to 650 F - Menu from 190 F
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MARKET DIARY

O&Y Filing Keeps Pressure on Stocks

Bloomberg Business News NEW YORK — Stocks declined Friday on a combination of concern about the bankruptcy filing of Olympia & York Developments Ltd. and some late computer-driven sell orders.

O&Y's filing triggered concern about the banking industry. Several money center banks, including Citicorp and Chemical Bank,

lition shares trading hands, after 189 million Thursday.

Peter Canale, investment strategist at County NatWest Securities, said, "Everybody knew the O&Y filing was coming, but it still had a negative effect on the stock market, and especially bank stocks."

Citicorp declined 1/4 to 19%. Chemical Bank fell 1/4 to 37 1/2. J.P. Morgan slid 1/4 to 55. Bankers Trust dropped 1/4 to 58 1/4 and Bank of New York declined 1/4 to 41 1/4.

International oil and retail store stocks also slumped as concerns about earnings hampered both groups. The concerns emerged when Exxon Corp. announced that it would eliminate more than 1,000 jobs in the United States. Exxon fell 1/4 to 59 1/4. Chevron declined 1/4 to 66 1/4 and Mobil fell 1/4 to 61 1/4.

In the retail industry, Gap Inc., Nike and Tiffany & Co. were among the companies to report disappointing earnings this week. Gap Inc. slid 3/4 to 34 on top of Thursday's plunge after the retailer reported disappointing first-quarter earnings that prompted analysts to cut estimates.

Nike declined 2 1/4 to 58 1/4 after the footwear and apparel company said 1992 earnings would fall on the low end of analysts' estimates.

Declining common stocks led advancing issues by 2 to 1. Trading was active, with about 192.04 million shares traded.

N.Y. Stocks

have loans outstanding of more than \$300 million to O&Y.

The giant Canadian real estate developer is seeking to restructure about \$12 billion of its \$18.5 billion in debt.

The Dow Jones industrial average fell 15.79 points to 3,353.09. The index dropped late in the day on computer-driven sell orders connected to the expiration of May's stock options and futures indexes.

"The options expiration really knocked a lot off the market," said Robert Ritter, market analyst at Ladenburg, Thalmann & Co. "If it weren't for the late sell-off, the stock market held up pretty well considering the O&Y news."

Rate-Cut Speculation Pressures Dollar Lower

NEW YORK — The dollar finished lower Friday in trading on continued speculation about the possibility of further U.S. interest rate cuts in the near-term.

Traders said the U.S. currency failed to get a boost from a 0.5 percent increase in industrial production in April and a 0.3 point gain in capacity utilization.

Instead, the market was awaiting more clues on interest rates and looking ahead to a meeting next week of a key policy-making committee of the Federal Reserve Board. Traders see a good chance of even lower rates.

The sentiment was mixed today, with fears of a Fed ease and the moderately supportive indicators, but the dollar could hold at higher levels," said Chuck Spence of First Interstate Bank.

The dollar finished at 1.6100 Deutsche marks, down from 1.6130 on Thursday, and at 129.85 yen, down from 130.235. It also closed at 1.4845 Swiss francs, after 1.4740, and at 5.4030 French francs, after 5.4160. The British pound ended at \$1.8235, compared with \$1.8215.

The Canadian dollar, which has fallen steadily from near 90 U.S. cents late last year, recovered to 83.19 cents on Friday from 83.13 Thursday.

Earlier, the dollar was lower in late European trading after a steady stream of selling by speculators and investment funds stripped away its overnight gains.

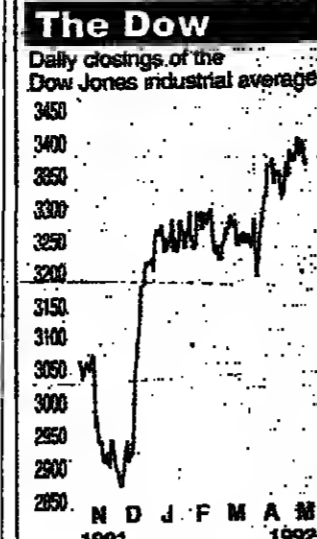
The dollar was quoted at 1.6065 DM at the end of the session, down from an opening of 1.6205 and down from 1.6135 at the close Thursday. It also lost ground to 129.80 yen from 130.55 and 130.35.

The dollar had started well enough as a U.S. money supply and consumer confidence data provided unexpected support overnight. But it quickly came under selling pressure.

The dollar dropped to 1.4795 Swiss francs from 1.4880 at the start. It fell to 5.4125 French francs from 5.4225 on Thursday. The pound rose to \$1.8203, after \$1.8190.

(Reuters, Bloomberg)

Via Associated Press May 15



ND J F M A M 1992

NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Last, and Change. Includes Citicorp, J.P. Morgan, and others.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Last, and Change. Includes Int'l Corp, Wynn, and others.

NYSE Diary

Table listing NYSE Diary with columns for Advance, Decline, Unchanged, and Total Issues.

Amex Diary

Table listing Amex Diary with columns for Advance, Decline, Unchanged, and Total Issues.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Advance, Decline, Unchanged, and Total Issues.

Dow Jones Averages

Table showing Dow Jones Averages for various indices like Industrials, Transportation, and Utilities.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for various sectors like Industrials, Energy, and Chemicals.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrials, and other categories.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrials, and other categories.

AMEX Stock Index

Table showing AMEX Stock Index for High, Low, and Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 20 Bonds and 10 Industrials.

Market Sales

Table showing Market Sales for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for various months.

S&P 100 Index Options

Table showing S&P 100 Index Options for various months.

EUROPEAN FUTURES

Table showing EUROPEAN FUTURES for various commodities like SUGAR, COFFEE, and CATTLE.

Food

Table showing Food futures for SUGAR, COFFEE, and CATTLE.

Metals

Table showing Metals futures for ALUMINUM, COPPER, and ZINC.

Stock Indexes

Table showing Stock Indexes for various markets like FTSE 100, Nikkei, and Hang Seng.

Dividends

Table showing Dividends for various companies.

Financial

Table showing Financial data for various currencies and interest rates.

U.S. FUTURES

Table showing U.S. FUTURES for various commodities like WHEAT, SOYBEANS, and CATTLE.

Grains

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Livestock

Table showing Livestock futures for CATTLE, HOGS, and PORK.

Financial

Table showing Financial data for various currencies and interest rates.

WORLD STOCK MARKETS

Table showing WORLD STOCK MARKETS for various countries like Amsterdam, Brussels, Frankfurt, and London.

Market Closed

The stock market in Madrid was closed Friday for a public holiday.

Milan

Table showing Milan stock market data for various companies.

London

Table showing London stock market data for various companies.

Singapore

Table showing Singapore stock market data for various companies.

Zurich

Table showing Zurich stock market data for various companies.

Toronto

Table showing Toronto stock market data for various companies.

Stockholm

Table showing Stockholm stock market data for various companies.

Montreal

Table showing Montreal stock market data for various companies.

Autos Spur U.S. Production by 0.5%

WASHINGTON (Bloomberg) — The output of U.S. factories, mines and utilities increased in April for the third consecutive month and was driven mainly by increased auto production, the Federal Reserve System said on Friday.

Alexander's Inc. Files for Protection

NEW YORK (Reuters) — Alexander's Inc., one of New York's oldest and most troubled retail chains, shut its doors on Friday and filed for protection under Chapter 11 of the U.S. Bankruptcy Code and would try to re-emerge as a real estate operating company.

Keating Family: First Guilty Plea

LOS ANGELES (NYT) — A son-in-law of Charles H. Keating Jr. pleaded guilty Friday to three federal fraud counts in connection with the collapse of the Lincoln Savings & Loan Association and agreed to cooperate with prosecutors as they pursue their case against Mr. Keating.

Nike Says Earnings Will Disappoint

BEAVERTON, Oregon (Bloomberg) — Nike Inc., responding to analysts' concerns about corporate profits, said Friday that fiscal 1992 earnings would fall below many investors' expectations.

Exxon to Trim Staff by Up to 12%

HOUSTON (Reuters) — Exxon Co. U.S.A. said on Friday it would trim its salaried workforce by at least 1,000, or 10 percent to 12 percent of the total, in an effort to improve the company's efficiency and competitiveness.

For the Record

Berkshire Hathaway Inc., the billionaire Warren Buffett's big investment company, said its first-quarter profit fell 46 percent on only a small gain in investments. Berkshire Hathaway said quarterly net income was \$67.4 million, or \$58.82 per share.

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Unilever But Co

Fiat

Barclays

Tokyo

Japan

LONDON

U.S. / AT THE CL...

U.S. Production by 0.5%
The output of U.S. factories...

Inc. Files for Protection
Alexander's Inc., one of New York...

ily: First Guilty Plea
A son-in-law of Charles H. Keating...

arnings Will Disappoint
Nike Inc. reported its corporate profits...

Staff by Up to 12%
Exxon Co. U.S.A. said on Friday...

ard
The millionaire Warren Buffett's...

Bad Year at Japan Brokers
More Cuts May Be Needed to Restore Profit

Stock Indexes
DOW JONES INDUSTRIAL AVERAGE...

Commodity Indexes
CRUDE OIL (NY)...

Japan Checks Up on Its Quality of Life
A government advisory panel...

LONDON: O&Y Struggles to Stay Afloat in Britain and Avoid a Sell-Off

HSBC Seen Riding Out O&Y Storm
HONG KONG — HSBC Holdings...

S.A. Brewing Launches Merger Bid for Foster's
Brewing shares declined 12 to 3.07...

Dresdner Claims Strong Profit Rise
DRESDEN, Germany — Dresdner Bank AG...

Fiat Cuts Dividend 37%
MILAN — Fiat SpA announced on Friday...

Unilever Profit Rises, But Costs Remain High
LONDON — Unilever PLC, the Anglo-Dutch...

Losses Grow At Europe's Air Carriers
BRUSSELS — The Association of European Airlines...

Prices Hit U.K. Rate Cut Hope
LONDON — Britain's main measure of inflation...

Investor's Europe
Frankfurt DAX, London FTSE 100 Index, Paris CAC 40

Table with columns for Exchange, Index, Friday Close, Prev. Close, % Change. Includes Amsterdam, Brussels, Frankfurt, Helsinki, London, Madrid, Milan, Paris, Stockholm, Vienna, Zurich.

Very briefly:
Bulgaria and its creditors failed to agree on proposals...

Investor's Asia
Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225

Table with columns for Exchange, Index, Friday Close, Prev. Close, % Change. Includes Hong Kong, Singapore, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Jakarta, New Zealand, Bombay.

Very briefly:
Jardine Matheson Holdings Ltd. led a consortium in a formal submission...

CANADA: Is the Worst Over?
(Continued from first finance page)
More than 16 percent from a February high of 33.87%...

ASIA / PACIFIC

THE
REPORT

FIRST COLUMN
**A High Cost
For Low
Inflation**

FEW people in the industrial world would wish a return of the runaway inflation that plagued it in the late 1970s. Rapid increases in the prices of such necessities as fuels and food eroded purchasing power at a frightening rate and helped build the political support for the inflation-squeezing spearheaded by Paul Volcker at the Federal Reserve and followed by his counterparts elsewhere.

The fight against inflation was pursued throughout the 1980s, becoming the predominant goal of governments and central banks.

But when does the undeniable wisdom of maintaining the value of currencies harden into a conventional wisdom that can stunt economies? Might it be time for the policy-makers of the world to admit that inflation is no longer the chief enemy of prosperity?

The thing to remember, as recounted in these pages this week, is that both inflation and deflation involve a transfer of wealth. When prices of things are rising faster than the price of money, otherwise known as interest rates, borrowers benefit through the appreciation of their physical assets. When the reverse is true, the lenders are the winners. Do you bear echoes of the rich getting richer, for it is they who can lend, and the poor (or middle class, or even manufacturing businesses) getting poorer, for it is they who must borrow?

That leads back to one of the favorite themes of the hour, the distribution of wealth. Just as it may not be possible to consign the people of south-central Los Angeles to falling incomes and collapsing lives without visiting havoc on the rest of the city, for the sake of the commonweal it may not be wise to keep pressing on prices when that suits rentiers but destroys jobs and the value of people's homes.

To bring about lower interest rates, of course, it's not enough for governments to lean on central banks. Budget deficits must be cut so government borrowing can be rolled back, and both the United States and Germany need to work much harder in this area.

But above all everybody, especially Germany, needs to remember that while staking everything on the fight against inflation is often a good idea, sometimes it isn't.

**Funds to Fall Back On:
A Bear's Eye View**

By Conrad de Aenlle

INVESTORS who feel the stock market has gotten ahead of itself must confront two tidbits of conventional wisdom before they sell: Stocks outperform bonds and cash in the long run (this is true), and it is always a good idea to keep some portion of assets in equities (this may be true, and many analysts believe it, although there's no way to prove it).

"Equities should always be the biggest portion of a youngish person's portfolio," advised Stephen Leeb, editor of the newsletter Personal Finance. With world markets frothing, he added, stocks should "still be the biggest holding, but less than at any other time."

Ken Weber, editor of Weber's Fund Advisor, said, "I'm really a nonbeliever in buy and hold; buy and hold can be disastrous. But he added: "As long as you're well diversified, there's nothing wrong with keeping a portion of your money in a top-quality mutual fund at all times, but you should be prepared to move the bulk of your money as market conditions change."

Investors who accept those arguments might want to start looking for equity funds that stand a better chance of beating the pack should the worst happen — in other words, funds that ought to fall gently while others send their sweating shareholders out to perch on ledges.

The first step, Mr. Leeb said, is to look for funds that weathered prior downturns in relatively good shape. The research firm Microcap was asked, to find just such funds, those that performed best in dollar terms during the three bear markets of the last 20 years.

Performance was measured from the highest month-end close of the Morgan Stanley World Index to the lowest. The three periods studied were February 1973 to September 1974, when the Morgan Stanley index fell 43.4 percent; August to October 1987, with an 18.7 percent drop; and July to September 1990, off 19.3 percent.

The best of funds during the worst of times prove to be a hedgepodge of different objectives, investment sectors and domiciles. In the case of the 1990 decline, hedgepodge is more like it. Three of the top funds were hedge or short funds, including the best, the offshore Alpha Short fund.

Actually, considering that the managers and shareholders of that kind of fund live and die waiting for markets to plunge, the

best fund was not all that good. Even though Alpha Short gained 15.52 percent, that was less than the fall in the Morgan Stanley World Index, so it underperformed during one of the rare market declines of the last decade.

The most conspicuously successful group of conventional funds in 1990 was precious metals, with four of the top 20. In 1987, Far Eastern funds predominated, also with four of the top 20, and in the early '70s bear, it was German funds, with 15 of the top 20. The DAX index of German shares fell 31 percent then, but that was far less than most other markets during that miserable time.

The fact that there was no consistency in the groups from market to market, and indeed no fund in the top 20 in any period appeared during any other confirms Mr. Leeb's second piece of advice for surviving a selling assault: Avoid sector funds.

"You want something with broad holdings," he said. "You don't want something that outperforms because they're in the right place at the right time, but because they have a conservative strategy." Sure, some sectors will be standouts, but it's hard to know ahead of time which they will be.

Nigel Sidebottom, associate director of the London brokers Gerrard Vivian Gray, disagreed, however, and said that gold or mining shares provide "a classic hedge against collapse in equity markets, although in recent years it has been disappointing." He said an attractive fund that invests in mining shares is Mercury Golden General.

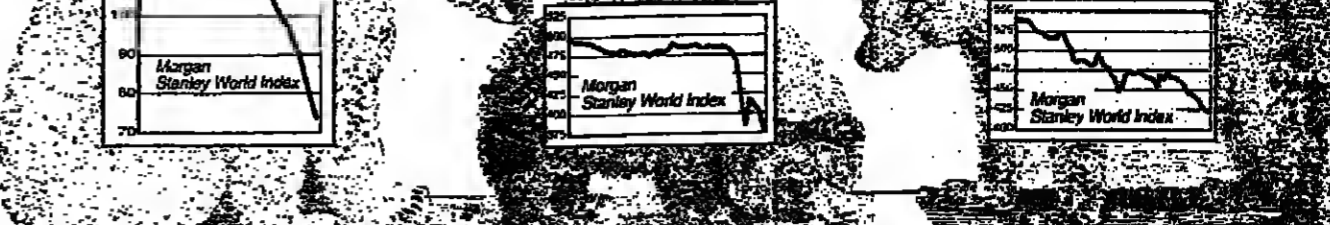
One way to make a safer choice, analysts emphasized, is to look for a fund with consistent management.

"The main thing is to look for a portfolio manager who's been with the fund for four or five years," Mr. Weber said. "If his record is a good one, you might want to stick with that fund."

He said the choice of manager is more important even than the type of fund: "Performance is key. If a particular portfolio manager has done well over three to five years, you want to stick with that person regardless of what his style may be."

An example he gave is Morris Smith, who took over for Peter Lynch at Fidelity's Magellan fund. The problem is that just when Mr. Smith was starting to hit his stride, he strode out the door. But Mr. Weber finds his replacement, Jeff Vinik, an acceptable substitute that meets his criteria for solid, consistent management.

"Magellan is probably a good bet for many buy-and-hold-people," he said.



Long Slump			Sudden Crash			Broad Decline		
Funds	Area	charges.	Funds	Area	charges.	Funds	Area	charges.
International Investors	United States	166.86	International	International	123.32	Alpha Short	North America	116.32
Goring Dynamik Funds	International	114.09	Morgan Grenfell Jap Small Cos	Japan	114.13	Gam Selection	United States	103.83
Kapitofonds Spezial	International	96.55	Swiss Life Equity	United Kingdom	112.24	Cris Gnt Japanese Equity	Japan	106.78
Mutual Shares Fund	United States	94.38	Canon UK Capital Growth	United Kingdom	110.81	Woverley Australasian Gold	Australia	106.72
Wade Fund Inc.	United States	93.60	Malden General	United Kingdom	110.67	Rainbow Excellent	International	106.70
Vermögensaufbau-Fonds	International	92.95	Royal Life Int'l UK Equity	United Kingdom	110.57	Pulman Premier Inc Class A	International	105.91
ArDeka	Europe	92.42	Fornosa Fund	Taiwan	110.25	Gardmore Phoenix	International	105.59
Dt-Fonds E. Vermögens.	Germany	91.20	Mercury Int Pacific	For East Ec.	110.20	Pulman Premier Inc Class B	International	105.30
Pi America Dynamik Funds	United States	91.11	Cu International Exempt	International	110.05	Nicholas-Applegate Aurelio	North America	104.95
Bardays Unicorn Special Sfs	United Kingdom	90.77	Royal Life Int'l European	Europe	109.47	Nicholas-Applegate Hedge	North America	104.69
Oppenheim Privat	Germany	90.36	Temple Bar Smaller Companies	United Kingdom	109.34	Key Hedge Fund	North America	104.25
Pi Intersepal II	International	89.89	Espir	Europe	109.18	Orbis Leveraged Equity	International	106.10
Nera Funds	International	89.64	Target Heavy Growth	International	106.18	Motus Actions Nord-Americ	North America	104.00
Pi Intersepal	International	88.22	Nihontachi Fund	Japan	105.65	INVECO Gold	International	103.78
Deutscher Vermögens.	International	86.47	Wellington International Growt	International	105.10	Orbis Optimal Equity	International	103.62
Adverbo	Germany	86.43	Hansard European Managed	Europe	104.72	Prov Capital Gold Trust	International	103.25
Unifonds	Germany	86.04	Danubius	Denmark	104.66	Bonhard Prec Metals	United States	103.25
Neuberger Partners Fund	United States	86.03	Morgan Grenfell Overseas Assets	International	104.22	Big Fund	France	103.19
Investo	Germany	85.58	Adress & Neville Capital	International	103.95	Mulligold S.A. (nl)	International	102.99
DeLaFonds	Germany	85.34	Paribas Rente (fr)	International	103.62			

Mr. Weber warned that fund companies don't always announce when a manager is leaving, so shareholders have to stay on their toes. He noted that managers at certain families, such as Twentieth Century and Value Line, must adhere to a set of concrete principles, making for less variation in management style. But that still allows for wide variation in performance.

The more conservative Twentieth Century Select, for instance, "will lose less than sub-

bear market hits, Ultra will lose 60 percent of its value.

In the May 8 edition, he wrote: "This relatively mild correction has provided the novice mutual fund investor with an unsavory taste of risk. What goes up fast also comes down fast.

One reason funds reverse course in a hurry is they are overvalued by such traditional measures as price/earnings ratio. Another way to cushion the blow in a downturn, Mr.

"It comes down to the individual's risk tolerance," Mr. Weber said. "If you're a risk-averse investor, you want to go for a balanced fund."

Two he mentioned are Lindner and Lindner Dividend, which have strong bond holdings.

Mr. Sidebottom had some more exotics for cutting risk. One is futures and options funds.

Investors might look for equity funds that stand a better chance of beating the pack should the worst happen — in other words, funds that ought to fall gently while others send their sweating shareholders out to perch on ledges.

ling Twentieth Century funds and rise less in a bull market," he said. For example, the family's highly ranked Ultra fund, which invests in small- to medium-sized companies in industries such as biotechnology, has lost more than 20 percent of its value over the last three-plus months, as smaller companies' share prices have fallen somewhat while U.S. blue chip stocks have been flat to slightly higher.

James Stack, editor of InvestTech Mutual Fund Advisor, has said that when the next

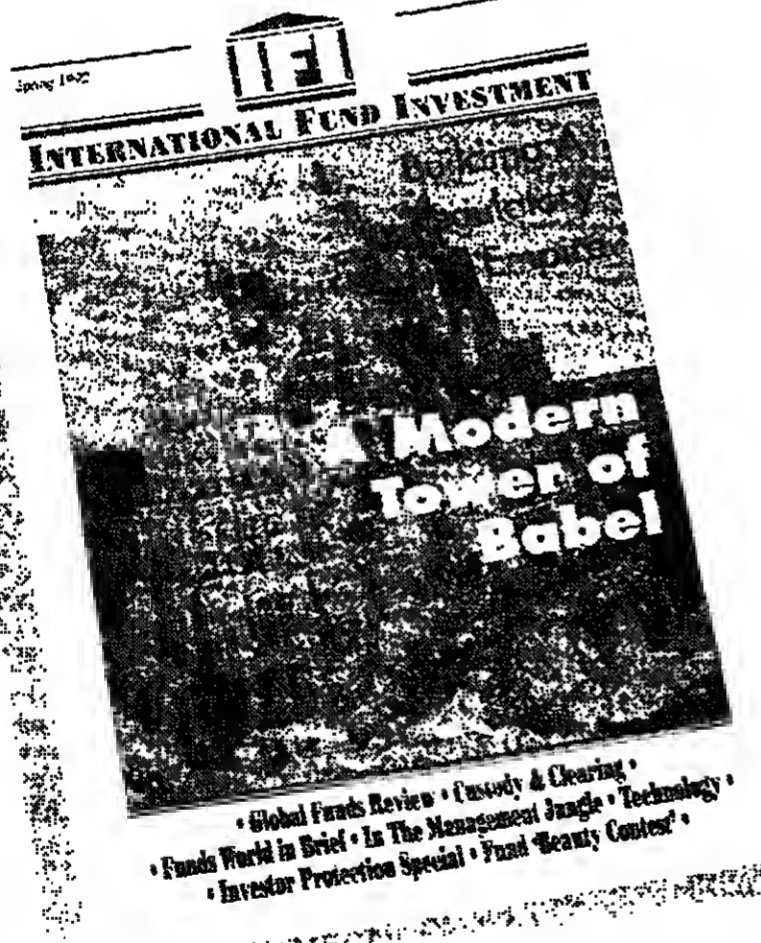
Leeb said, is to look for funds with P/Es below average for the market. Examples of funds that fit that and his other criteria are Fidelity Balanced, USAA Mutual Income Stock Fund and Pax World, which he also likes because it doesn't buy shares in companies that do many things like sell cigarettes.

Risk, said how much of it an investor can stand, is the key to choosing a fund, the analyst says. For those who can't stand much, maybe a fund with bonds and cash, mixed in with equities, is more suitable.

"Clearly this type of fund has got as much chance of making money in a rising market as a falling market," he noted. "There's a catch, of course. They've got to get it right, they've got to judge the market correctly. It's a high-risk business. You can do extremely well or extremely badly."

The other type of vehicle is funds that invest in Third-World, or emerging, markets. "The reason here is emerging markets are volatile and risky markets, but there isn't a strong correlation with mature markets like the U.S., Britain and Japan. It's quite a good way of reducing volatility by having them in a larger portfolio." Two he cited are Templeton Emerging Markets and Genesis Worldwide Emerging Markets.

"No matter what variety of fund is chosen, Mr. Weber stressed, "You have to pick something you understand, that makes sense to you, that has done very well over a period of time, then stick to that."



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THE MONEY REPORT

Strategies for High, Low, or No Inflation

By Barbara Rosen

WITH the labor unrest in Germany highlighting inflation fears, it's easy to forget that the industrial world is a long way from the double digits of yesterday. Indeed, some experts argue that the narrow range in which inflation is moving, it's playing less of a role in investment decision-making than it used to.

But others note that 3 percent is nothing to sneeze at. Or that when people start talking about 2 percent, it's time to look at what happens at zero. Whatever size the moves projected, it's still wise to keep an eye on the CPI.

Germany's immediate situation aside, medium-term forecasts call for overall European inflation to at least steady, and maybe fall further. "The general trend for inflation is downwards" in Europe, says Marcus Grubb, European equities strategist at UBS in London. "Compared to previous periods, we are likely to be in a lower inflationary decade, certainly in the early part of the '90s." Morgan Stanley's global strategist, David Roche, sees "disinflationary potential" in most European countries. Morgan Stanley projects a weighted average level of throughout Europe of 3.8 percent this year, 3.3 percent in 1993. Meanwhile, though no one foresees double digits anywhere in the industrial world, experts do talk of the U.S. rate ticking up. Projections for average U.S. inflation range from 3 to 3.4 percent for 1992, 3.1 to 4.4 percent for 1993.

Diego Veitia, chairman of Veitia & Associates, a Florida-based global money manager, sees a 15-percent chance of U.S. inflation touching 5 percent sometime in the next three years, assuming no change in

control of the White House or Congress. In an America that feels comfortable with a core annual rate of 3 percent emerging from recession, he says, "We do not see any possibility of inflation going down."

The guidelines for inflation investing have as many exceptions as rules. And, obviously, they change significantly with the degree of movement anticipated. That said, experts do offer some advice.

GOING DOWN? If inflation is falling, the experts say, you go into government bonds and selected equities of the most disinflationary countries, and away from commodities and cash.

In a disinflationary environment, explains Richard Davidson,

Mr. Grubb forecasts that the inflation-adjusted earnings per share underlying equities will grow 8-9 percent across Europe in 1992 and possibly more in 1993, compared to a decline of 8 percent in 1991, and of 25 percent in 1990.

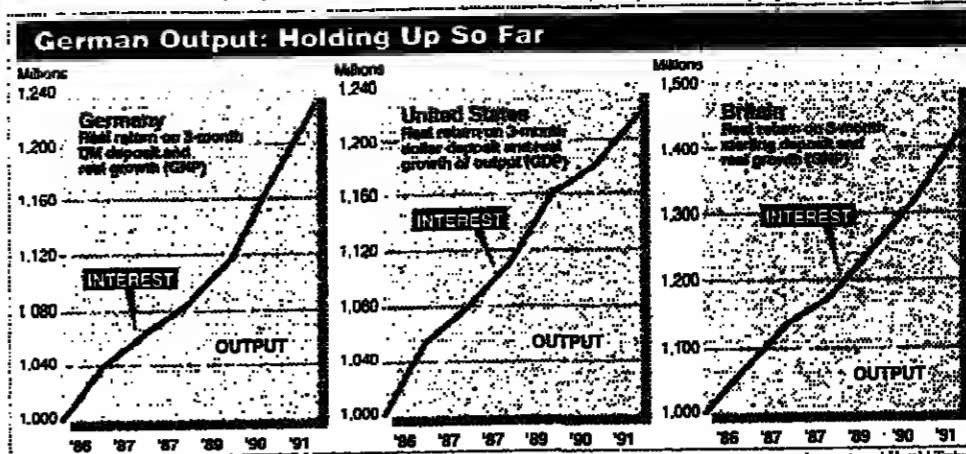
Specifically, disinflation can be good news for interest-sensitive stocks like banks and insurance companies — those for whom lower interest rates mean lower costs of doing business.

"In a disinflationary environment, pharmaceuticals is an excellent sector to look at," Mr. Grubb adds, explaining that thanks to typically longer-term contracts that lock in prices, drug companies tend

to outperform as inflation falls and underperform as it rises.

GOING UP? If you expect inflation to rise significantly, Mr. Grubb says, in theory you get out of government bonds, where prices would be expected to fall as interest rates rise, and into cash, to take advantage of higher short-term rates. And you get into cheap equities, as an inflation hedge and a participant in economic growth.

Mr. Veitia says most good U.S. mining and metals stocks offer "the best of both worlds." They are in a recovery sector, and offer the classic commodity hedge against inflation. "If there is any risk at all that inflation is going to come back then you probably want to hold some" com-



Asset Plays Start to Look Up

By William Ellington

COMPANIES with large holdings of physical assets, such as oil, lumber or property, have sometimes produced losses in recent years because they have had to write down the holdings' value.

But having written assets down, these companies may start to write them up in coming years. This is because asset valuations are influenced by monetary conditions, which in most places are changing towards easing, with Germany an exception.

"An easing of credit is under way but the response will be very sluggish to start with," says Tim Congdon, an economist at Lombard Street Research Ltd.

By and large, companies with holdings of tangible assets have relied heavily on debt to finance their holdings. Thus, the adverse impact of high real interest rates — the difference between nominal interest rates and price increases as measured by inflation — has produced financial strains.

As the era of high real interest rates draws to a close, companies with large holdings of real assets should be worth increasingly more. But these pending asset valuation increases have not yet been fully reflected in rising share prices of commodity-rich companies.

The explanation of why high real interest rates will diminish, if not disappear for a time, involves common sense as much as economics. Real interest rates involve a transfer of purchasing power from the borrower to the lender. If a lender receives 8 percent after one year and prices rise by 6 percent in that year, he will be able to acquire 2 percent more goods at the end of the year.

Such a small transfer of buying power is hardly shattering, but if it occurs year in and year out over a

decade or more the economic effects can be important. This has recently been demonstrated by rising unemployment, corporate failures and some spectacular real estate crashes in the debt-prone English-speaking nations and in some Continental European countries.

The reason for the hardship of the past few years is that compounding real interest rates produce an exponential rise in the transfer of wealth over time. Moreover, economic misery worsens when production of goods and services fails to rise proportionately with cumulative real interest rates. In such conditions, rising interest claims on the economy are met with lower prices for goods and services.

Wealth transfers have not been evenly spread. Instead, the burden has been concentrated in industries that use a lot of debt. As holdings of oil, metals, lumber and real estate usually require a lot of financing, it isn't surprising that their prices have been declining until recently. For example, nominal oil prices declined roughly 40 percent in the 1980s, a decade of mostly high real interest rates.

Compounding of high real interest has gone on long enough to ensure that wealth transfers from borrower to lender have become so big that neither the borrower or lender comes out ahead because debts have to be written off. Furthermore, as economic activity has slowed in recent years, the decline in prices has left lenders with insufficient collateral for loans they made. Because it has now become necessary to protect creditors as well as debtors from the effects of a downward price spiral, monetary authorities in most industrial countries will keep short-term interest rates near inflation levels until asset values start to rise again.

The timing of such actions will vary from country to country. At the moment, the United States and Ja-

pan are leading the way. With pound linked to the Deutsche mark, Britain hasn't yet been able to lower its interest rates below those of Germany because of worries about keeping the pound stable.

Investors should examine the merits of companies involved in oil, mining, lumber and property, whose share prices still reflect the ravages of high real interest rates.

Analysts at Dean Witter Reynolds, the U.S. brokerage firm, favor the big international oil companies such as Chevron Corp., Exxon Corp., Mobil Corp. and Texaco Inc. as well as certain domestic oil companies that will benefit from a U.S. recovery.

However, not all analysts are expecting oil prices to recover much

in real terms despite an easing of monetary conditions. Christine Baker, an oil analyst at Nomura Research Institute, says that oil companies will be adding enough production and refining capacity in the coming years to keep supplies plentiful.

Weyerhaeuser Co. and Louisiana-Pacific Corp. are two American companies with vast holdings of timberland. Their share prices have already begun to benefit from a hesitant uptick in the U.S. housing market. Over time, they should be able to write up the value of their assets, providing monetary conditions remain easy.

On a macroeconomic level, the accompanying charts show that the real value of bank deposits has increased by more than output in the United States and Britain in past five years but that the similar gap between deposits in output in Germany has been relatively small. This suggests that Germany has been able to afford high real interest rates so far.

Looking to the future, relatively low short-term interest rates in the United States should eventually add support to the real estate market, especially once the historically wide gap between short and long-term U.S. interest rates starts to narrow.

If German output continues to show its recent trend towards tapering off, the cumulative effect of high real interest rates will start to affect Germany as it has the United States and Britain. This will take time.

As British interest rates are linked with Germany's, it wouldn't be surprising to see Britain's recovery lag behind the United States.

Best Performing Mutual Funds

Leading mutual funds from Belgium, Britain, France, Germany, Ireland, Italy, Luxembourg, Offshore Territories, Switzerland and the United States. Value of 5100, income reinvested, excluding charges.

Over one month to May 1, 1992

Fund	Domicile	Performance
Argentinean Inv	Luxembourg	253.26
Baring Puma	Offshore terr	229.05
Schroder Latin American	Offshore terr	227.82
GT Latin America	Offshore terr	206.61
CT Chile Growth	Offshore terr	183.50
Barclays ASF Hong Kong	Offshore terr	181.77
Five Arrows Chile	Offshore terr	175.67
Mexican Investment	Luxembourg	173.74
Genesis Concor	Offshore terr	171.50
Mexican Horizons	Offshore terr	169.15
Thornion American Smaller Cos	UK Unit Trust	166.38
TSS OIF Pan American	Offshore terr	165.76
Brazilian Investment	Luxembourg	165.24
Capital Securities Hong Kong	Offshore terr	163.96
Gartmore Hong Kong	UK Unit Trust	163.52
Schroders Asia Hong Kong	Offshore terr	163.51
Jiang Hong Kong	Offshore terr	159.51
BISC-CEF Hong Kong Warrant	Offshore terr	158.12
Fidelity Fds Hong Kong	Luxembourg	157.36
Thornion Hong Kong Gateway	Offshore terr	156.97
Royal Life/Baring Hong Kong	Offshore terr	156.91
Fidelity Select Automov	US Mutuals	156.33
CJ PPT Hong Kong	UK Unit Trust	154.58
Mercury ST Hong Kong	Luxembourg	152.48
Fidelity Select-Reg Banks	US Mutuals	152.34

Over one year to May 1, 1992

KB SEL British	Luxembourg	136.24
SP International SA	Offshore terr	129.39
Barclays ASF Hong Kong	Offshore terr	123.91
Perpetual Oilsr UK Growth	Offshore terr	119.88
Thornion Philippines Redipmnt	Offshore terr	118.89
CJ Outlier Income	UK Unit Trust	117.68
Brown Shipley High Income	UK Unit Trust	117.65
GAM Overseas	Offshore terr	117.19
GFE Income	UK Unit Trust	117.08
Clerical Med Retirement Inc	UK Unit Trust	117.00
F&C UK Income	UK Unit Trust	116.90
BWD Equity Income	UK Unit Trust	116.87
NPI UK Special Opps	UK Unit Trust	116.85
Fidelity Income Plus	UK Unit Trust	116.75
Swiss Life Profibus UK Equity	Offshore terr	116.74
Sampor Eastern Sector Recovery	UK Unit Trust	116.64
Kleinwort Benson UK Equity Gro	UK Unit Trust	116.52
Metropolitan UK Income	UK Unit Trust	116.48
M&G Equity Income	UK Unit Trust	116.48
CJ Equity Income	UK Unit Trust	116.39
Clerical Med Special Sits	UK Unit Trust	116.39
Mayflower Income	UK Unit Trust	116.25
Baring Tristar Warrant	Offshore terr	116.23
M&G Midland & Genl	UK Unit Trust	116.23
Standard Life UK Eqty Hr Incm	UK Unit Trust	116.22

Over five years to May 1, 1992

GNI Spread	Offshore terr	511.16
Fornosa Fund	Offshore terr	373.27
GAMUT Investments	Offshore terr	363.99
TSB Island Pension	Offshore terr	346.76
Morgan Grenfell Japan Small Cos	Offshore terr	329.50
Colonial Securities Hong Kong	Offshore terr	322.35
Financial Strat-Health Sc	US Mutuals	302.16
Mercury Metala	Offshore terr	299.97
Tyndall Tiger	Offshore terr	291.50
Baring Hong Kong	Offshore terr	285.07
Schroders Asia Hong Kong	Offshore terr	277.44
Alliance Health Care	Luxembourg	277.09
Fidelity Select-Medical	US Mutuals	271.07
Taipei Fund NAV	Offshore terr	265.70
Gartmore Hong Kong	UK Unit Trust	265.06
Wardley South East Asia	Offshore terr	254.58
North Star High Performance	Luxembourg	251.52
Abtrust Far East Emerg Economs	UK Unit Trust	250.23
North Star 2nd High Performance	Luxembourg	248.49
Baring Octopus	Offshore terr	248.17
CT Newly Industrialised Countries	Offshore terr	247.20
Emerage Selz	Offshore terr	243.84
F&C US Smaller Companies	UK Unit Trust	243.14
Fidelity Activator Eo-Grn	US Mutuals	242.48
Putnam Emerging Health Science	Luxembourg	241.54

BRIEFCASE

Schwab & Co. Center Caters to Hispanics

From the looks of most financial service ads in the United States, investors must all trace their roots to someone who arrived on the Mayflower, or else some other fair-skinned people with an affinity for Cardigan sweaters. The discount brokerage Charles Schwab & Co. is breaking with the Anglo-oriented marketing approach with its Hispanic Investment Center.

The center, which opened in late April in Miami, employs bilingual representatives to handle orders of clients who prefer transacting business in Spanish. It can be reached via toll-free phone, as well as fax and tele, and is open from one hour before the New York Stock Exchange opens, until one hour after it closes.

The Miami office is Schwab's second ethnic center. In mid-1990, it opened an Asia Pacific office in San Francisco with agents who speak Mandarin and Cantonese.

The brokerage also has toll-free phone numbers for customers calling from about three dozen overseas locations. Britain, Japan and Italy are on the list, although France and Germany are not.

A number of tiny Caribbean islands are included, for some reason, such as St. Kitts, Dominica and Barbados. This will no doubt prove invaluable if a client gets a hot tip from a towel porter that demands immediate action.

A Contract Based On 18 Commodities

The Chicago Mercantile Exchange has filed for approval to sell futures and options contracts based on an index of 18 commodity futures prices developed by Goldman Sachs.

The product would be aimed mainly at institutional investors for use as a hedging instrument, said Andy Yemma, a Merc spokesman. Because the contract is index-linked, it is most likely to be used to guard against inflation, he said.

The contract's value would be \$250 times the level of the index. Based on its recent level of 188.3, a

unit would be worth about \$47,000.

The index comprises six metals, three energy products and nine foods. Crude oil has the biggest weighting, at 19.9 percent, followed by live cattle, unleaded gasoline and heating oil. The smallest weighting is in silver, at 0.3 percent.

Less Gold in the Pot For Fund Managers

The growth in salaries and bonuses of pension and tax-exempt mutual fund managers slowed to 10 percent in each of the first two years of the decade, from annual increases in the low 20s in the mid-1980s, according to a survey by the management consultancy Callan Associates.

Managers of American securities funds earned \$222,000, on average, in 1991, while those with primarily overseas portfolios earned \$203,000, the survey said. Managers of real estate portfolios earned a paltry \$178,000.

Despite the fat paychecks, 26 percent of managers felt they were undercompensated last year, the survey noted. At least that was down from 31 percent in 1989.

Eurotrack Derivatives Prove a Bust at LIFFE

The London International Financial Futures and Options Exchange is ending futures and options contracts on the Eurotrack 100 index of continental European shares. The reason: lack of interest.

"The demand for exchange-traded derivative contracts on any pan-European index," LIFFE said, "is insufficient to allow a contract of sufficient liquidity to be traded."

Since Eurotrack 100 futures were introduced last June, just 2,802 contracts traded, or 13 per day on average. Options volume since trading began in September totaled 1,547 contracts, 12 a day, LIFFE said.

As of May 7, open interest — the number of existing contracts — was 18 futures and five options contracts. The Eurotrack derivatives will be peacefully on June 17, when the last series expires.

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Herald Tribune

Handwritten Arabic text: "هذا هو الأصل"

NYSE

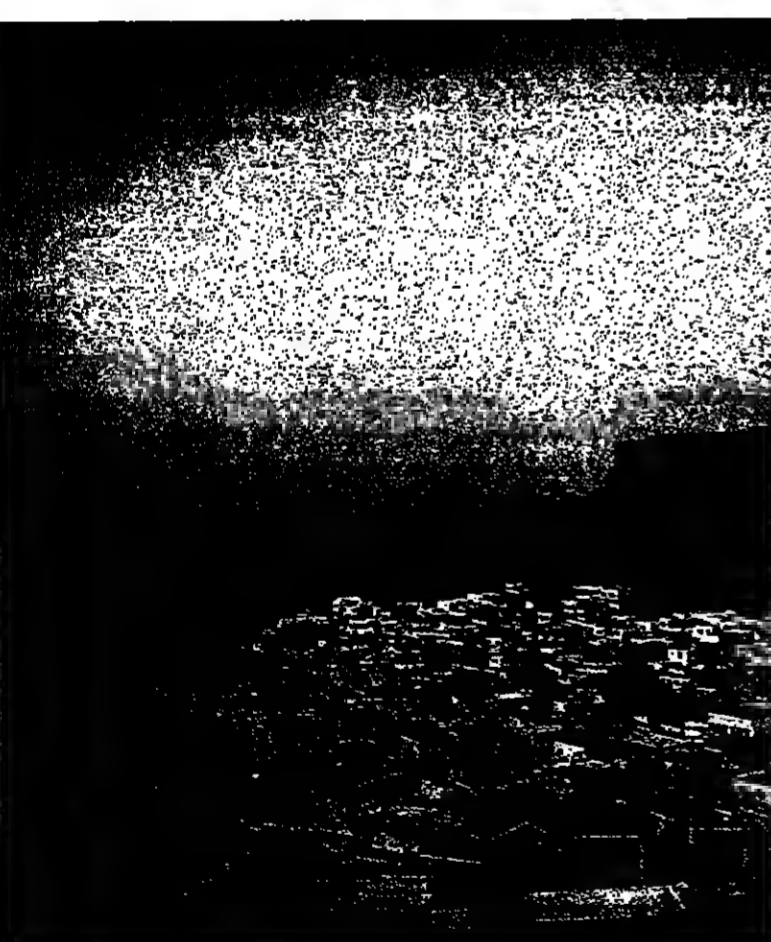
Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press


(Continued)

Symbol	Price	Change
IBM	111.25	+0.25
MSFT	41.50	+0.25
ORCL	31.00	+0.12
EA	28.00	+0.12
INTL	25.00	+0.12
DIS	24.00	+0.12
WMT	23.00	+0.12
AMZN	22.00	+0.12
GOOG	21.00	+0.12
MS	20.00	+0.12
CVS	19.00	+0.12
WYNN	18.00	+0.12
UNH	17.00	+0.12
CVX	16.00	+0.12
MRK	15.00	+0.12
ABB	14.00	+0.12
GE	13.00	+0.12
DUK	12.00	+0.12
WU	11.00	+0.12
PG	10.00	+0.12
LLY	9.00	+0.12
MDA	8.00	+0.12
AMT	7.00	+0.12
SPX	6.00	+0.12

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LLY	9.00	+0.12
MDA	8.00	+0.12
AMT	7.00	+0.12
SPX	6.00	+0.12



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The Gods could have lived anywhere on earth. They enjoyed life more in Greece.

GREECE

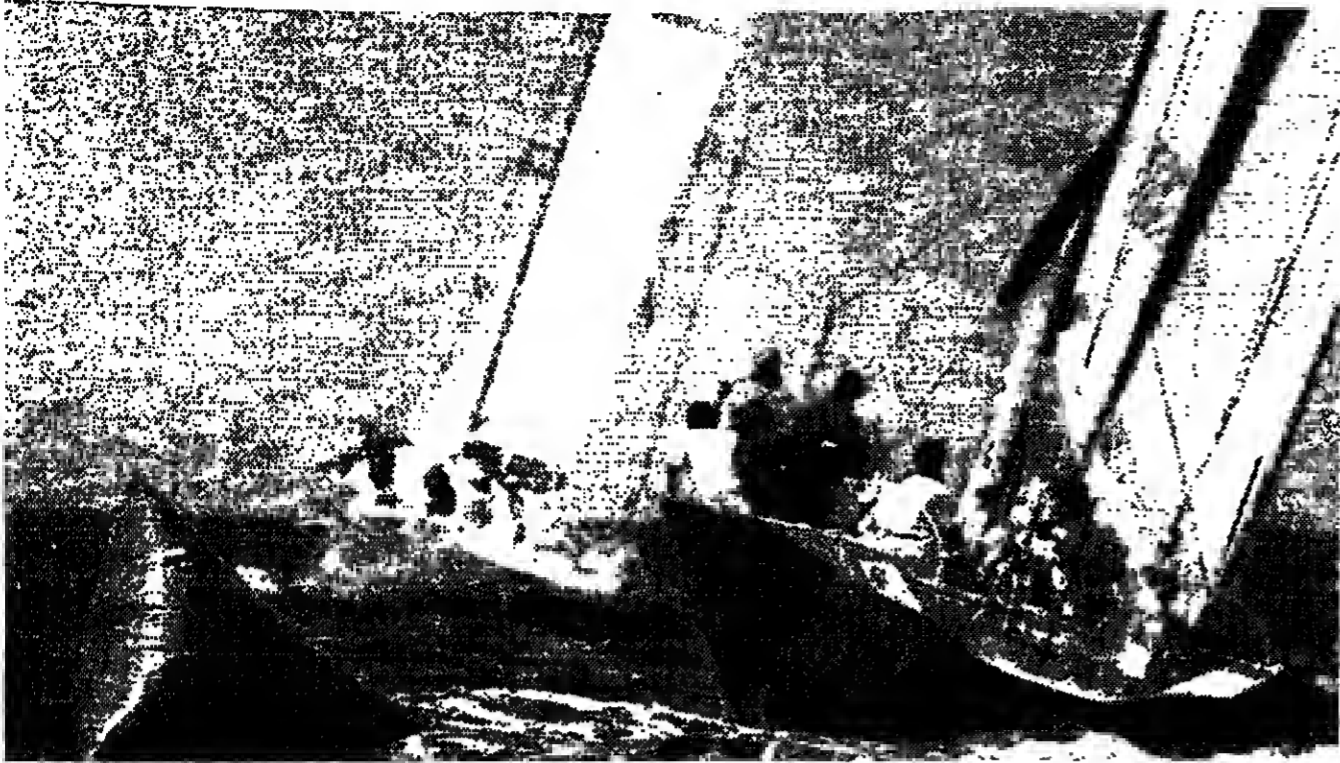
Chosen by the Gods

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Symbol	Price	Change
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MSFT	41.50	+0.25
ORCL	31.00	+0.12
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WU	11.00	+0.12
PG	10.00	+0.12
LLY	9.00	+0.12
MDA	8.00	+0.12
AMT	7.00	+0.12
SPX	6.00	+0.12

NASD
Friday

SPORTS AMERICA'S CUP



America's, left, leading Il Moro di Venezia, the challenger, around the weather mark in the fourth race of the America's Cup finals.

3 Up and One More to Go for America³ Routing Il Moro, U.S. Boat Closes In on Successfully Defending the Cup

Compiled by Our Staff From Dispatches

SAN DIEGO — Bill Koch's America³ is one victory from doing what every U.S. entry but one has done since 1851 — successfully defend the America's Cup.

America³ posted its second straight wire-to-wire victory over Italy's Il Moro di Venezia on Thursday, a 1-minute, 4-second effort that gave America³ a 3-1 lead in the best-of-7 series.

A victory on Saturday would ensure that the America's Cup remained at the San Diego Yacht Club at least until 1995.

The only skipper to wrest the Cup from American hands, John Bertrand of Australia, was in San Diego on Thursday to explore the feasibility of putting together a program for the next competition.

In 1983, Bertrand's Australia II trailed Dennis Conner's Liberty 3-1 before rallying to beat the U.S. boat and end the New York Yacht Club's 132-year winning streak.

Conner won back the Cup in 1987, but Koch eliminated Conner this time to become the 28th defender.

Bertrand said the difference between 1983 and 1992 was that while Australia II had a speed advantage over Liberty, America³ has the edge over Il Moro.

He said that Il Moro "has got more of a problem than we had."

"It's a tough program for them," Bertrand said. "There doesn't appear to be too much of an Achilles' heel."

"The impressive thing with the Cuban program," he added, referring to the America³ team, "is that it's really been brought together over the last two weeks, and that's been hard to do, the marriage of the technology with getting it all together and make it happen."

America³ led by 47 seconds two legs into the eight-leg, 20.03-nautical-mile race course off Point Loma on Thursday. Then Il Moro's skipper, Paul Cayard, ate into that on the windward third leg and trailed by 27 seconds at the mark.

"We were 11 boat lengths ahead, then we went down to about two boat lengths ahead," Koch said. "Part of it was we think we had up the wrong sail at the time."

But Cayard said the America³ crew "just outsailed us."

"I don't want to lay too much on the boat," he said. "Today they outsailed me. It's not going as easy as we might have hoped it would go, but we know they still have to win another race."

A glitch in sail handling at the sixth mark almost took a member of the America³ crew. Peter Fennelly, who grinds the winches, got his foot snagged in a jib sheet and was dragged overboard.

Jerry Kirby, the bowman, rescued Fennelly by hoisting the sodden crewman back on board. Kirby said he had taken out his pocket knife, thinking he might have to slash the line that was pulling Fennelly along with the boat.

Instead, other crew members eased the line so that Fennelly's foot could be released. Fennelly, whose white shirt was torn, said he was not injured.

It made for a messy mark-rounding as America's headsail flapped for a full minute while crewmen wrestled their mate back aboard, but by then Il Moro was more than half a minute behind and the margin was extended on each remaining leg.

But the Italians aren't panicking yet.

Enrico Chieffi, brother of Il Moro's strategist, Tommaso Chieffi, said: "Sure we are in trouble; 3-1 is not a good position. But we are not dead yet."

(AP, NYT, WP)

Don King Is Subject of FBI Investigation

The Associated Press

NEW YORK — The FBI sent two agents to the office of the boxing promoter Don King "in connection with an ongoing investigation," a bureau spokesman said Friday.

The spokesman, Joe Valiquette, would not disclose the nature of the investigation or the reason for the visit Thursday to King's New York townhouse, which houses his office.

Two newspapers had reported that federal agents confiscated computer disks and financial records in a "raid." The New York Daily News said the agents were believed to be from the FBI, the

Internal Revenue Service and the U.S. attorney's office.

The agents went to the office a day after a former King financial officer offered more details about his allegations that King had defrauded Mike Tyson, the former heavyweight champion.

The New York Post said agents had been warned by King employees that the documents and disks might be destroyed by King.

But Valiquette said nothing had been taken from King's office and the two FBI agents were not accompanied by other agents from the other services. He said there was no federal search warrant.

He said they went on official business "in connection with an ongoing investigation, which we cannot disclose the nature of." King was out of town when the agents came, an aide said.

The incident was the latest in a flurry of legal activity surrounding the promoter.

In an affidavit filed Wednesday with the New Jersey State Board of Control, Joseph A. Maffia, King's former comptroller, charged that the promoter repeatedly ordered Tyson to pay sanctioning fees beyond those required by the WBC, WBA and IBF.

Other Maffia affidavits, filed in

connection with pending litigation between Tyson and his former manager, Bill Cayton, detailed questionable deductions made from Tyson's purses and reported consultant fees paid to King's sons and his wife, as well as a \$52,000 annual salary paid to King's daughter to serve as president of the Mike Tyson fan club.

Meanwhile, in Indianapolis, the judge who presided over Tyson's rape trial on Thursday denied the boxer's request for a new trial.

Tyson's attorneys had sought a new trial on the grounds that jurors were prejudiced due to a fire at the hotel where they were staying.

For Pirates, Secret Is In the 9th

The Associated Press

The Pittsburgh Pirates own the best record in the major leagues and have finally found a way to beat the Atlanta Braves: Stay close and win it in the ninth.

For the second night in a row, the Pirates rallied in the ninth inning to beat the Braves. On Thursday night, it was Jeff King with a two-run, bases-loaded single providing the 4-3 victory in the only National League game.

On Wednesday, Jay Bell hit a solo homer for an 11-10 victory.

Until Wednesday night, the Pirates had lost seven straight regular season games to the Braves in Atlanta, dating back to Aug. 29, 1990.

The Pirates (23-10) have won seven of their last 10 games.

Blue Jays 5, Mariners 4: In Toronto, Devon White and Kelly Gruber clubbed two-run homers in the only American League game.

White broke an 0-for-11 slump and erased a one-run deficit with his home run off loser Calvin Jones in the seventh inning. Gruber added a run-scoring double to his two-run homer as the Blue Jays captured their ninth victory in their last 11 games.



BIG FALL — Koushiki, the American sumo wrestling star, falling Friday to defeat at the hands of Tomoeji. It was Koushiki's second straight defeat in the 15-day Tokyo spring tournament, reducing his chances of winning promotion to sumo's top rank of yokozuna, or grand champion.

BOOKS

BLACK WATER
By Joyce Carol Oates
154 pages. \$17. A William Abrahams Book. E. P. Dutton, 375 Hudson Street, New York, New York 10014.

Reviewed by Michiko Kakutani

REMEMBER Chappaquiddick? Senator Edward M. Kennedy and Mary Jo Kopechne? Joyce Carol Oates's latest novel, "Black Water," is a slim, melodramatic work that portrays a young woman who meets a famous senator one summer afternoon. The two set off on an ill-fated car ride, and the young woman meets a watery death in a mosquito-filled marsh.

Presumably Oates was attracted to the story because it embodies so many of the themes that have obsessed her throughout her prolific career: the violence and randomness of modern life; the intersection of private and public nightmares; the "unspeakable turn of destiny," as she once called it, that can instantly shatter an individual's hopes and dreams.

To be sure, Oates makes a few trivial alterations in the Kennedy-Kopechne story. The action in her novel occurs in the present, not 1969. The scene is Grayling Island, Maine, not Chappaquiddick. And the senator is driving a rented Toyota, not a black Oldsmobile.

For the most part, however, Oates plays up the resemblances between Edward M. Kennedy and her fictional sena-

tor, described as an "old-style liberal Democrat out of the 1960s, a Great Society man with a stubborn and zealous dedication to social reform." We learn that this senator fears assassination, that he has a family place on Cape Cod and that he has presidential aspirations.

Whereas the precise details of what happened to Senator Kennedy and Mary Jo Kopechne on the weekend of July 18, 1969, have remained elusive, Oates gives the reader an exacting account of what happens when her fictional senator meets the young woman she calls Elizabeth Anne (Kelly) Kelleher.

As she tells it, Kelly was a longtime admirer of the senator — she'd written her senior honors thesis on him — but was slightly reticent when she first met him at a party given by her friend Buffy on Grayling Island.

Kelly had recently survived a bad love affair, and she was wary about meeting new men. The senator, however, charmed her. They took a walk on the beach, they shared a kiss and he asked her to accompany him on the ferry to the mainland. There, she thinks, they will spend the evening in his motel room.

On the way to the ferry, however, the senator takes a wrong turn. Perhaps it's because the roads are poorly marked and the evening light is bad. Perhaps it's because he has had several drinks.

In any case, the car is suddenly off the road and plunging into the brackish waters of a marsh. Kelly feels the guard rail give way, she feels her head crack against

the window, a red mist flashing across her eye, and she feels the car sink down into the water on its side.

We may keep reading not only because Oates's gothic descriptions of Kelly's death are sensationalistic but also because there is an unconscious feeling that we're getting a behind-the-scenes account of what really occurred.

For all its literary pretensions, "Black Water" is simply the latest example of "fiction," a genre that evades the responsibilities of both history and fiction. It trades on the news value of a story, but obeys none of the rules of journalism; it exploits the liberties of fiction, but demands little exercise of the imagination.

That a writer as generously talented as Oates would produce such a book is a surprise. The reader can only surmise that her rapid rate of production left her, this time, without a story of her own.

Incantatory prose, full of rhythmic refrains and repeated motifs, is used by the author to describe Kelly's slow death by drowning. These passages are intercut with flashbacks, as Kelly literally sees her life passing before her eyes: her parents, her schoolmates, her lovers, her friends all flicker through her mind.

None of these accounts are particularly vivid or moving. Rather, they suffer from Oates's self-conscious, heavy-breathing prose and her constant appeal to the reader's worst voyeuristic impulses.

Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott

ON the diagrammed deal from the Long Island Regional Swiss Championships, South's opening one-club bid was the Precision variety, showing 16 points or more. His partner made two doubles.

When a diamond was led to dummy's king, South did not fancy his chances. He led the heart queen, which was covered by the king and ace. A diamond was ruffed, and a club was ducked to West. South won with the jack in dummy and led a club to the ace, reaching this position:

NORTH	Q 10 4	—	—
—	—	—	—
—	—	—	—
WEST	—	EAST	—
—	—	—	—
—	—	—	—
—	—	—	—
SOUTH	—	—	—
—	—	—	—
—	—	—	—

Needing five more tricks, South cashed the diamond ace for a spade discard and led a club. East was helpless after winning with the queen, for he was forced to lead from the spade king or give a ruff-and-suff. West's heart nine was, sooner or later, the third trick for the defense.

PEANUTS



BEETLE BAILEY



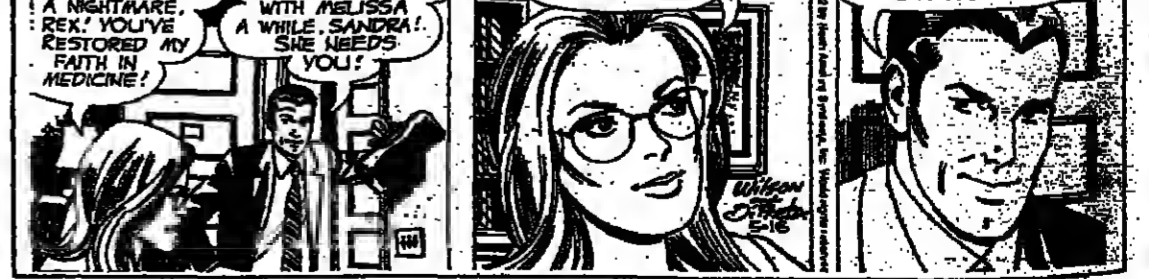
CALVIN AND HOBBES



WIZARD OF ID



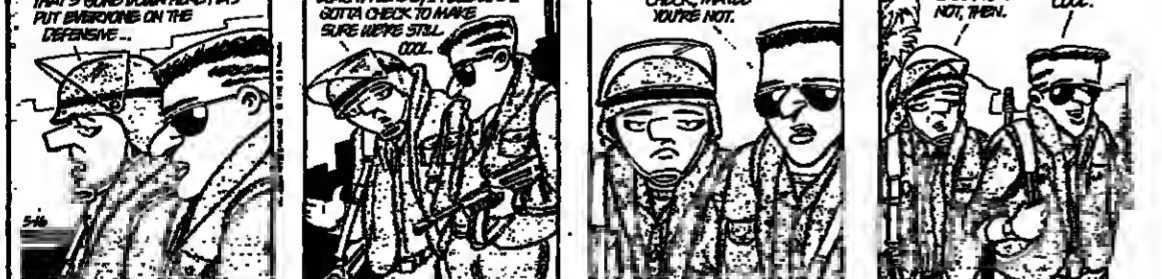
REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

ARDOH

MAGEL

FACTUE

DYGOTS

Print answer here: _____

Yesterday's Jumble: COLON LOOSE DREDE RATION
Answer: The good old days seem so sparkling, because most of them suffer from the all-star line — GOOD! NOT OLD!

BLONDIE



SP...
Knicks I...
Survival...
Herbie...
NFL Game...
For the Re...
Quotable...
FE

SPORTS

PLAYOFFS

Knicks In, Rangers Out: Survival of the Toughest

By George Vecsey
New York Times Service
NEW YORK—Hold back the carpenters. Tell the electricians to stay in touch. The main hall at Madison Square Garden is not currently available.

As soon as possible, the crews are supposed to start building the stage for the Democratic National Convention in July, but there could be a lot of overtime for the building trades unions in New York.

The New York Knicks do not want to go home and yield their arena to any political party. They refused to be beaten in the Garden on Thursday night, overwhelming the Chicago Bulls, who merely have Michael Jordan and are the defending champions of this sport, by the score of 100-86.

The Knicks won with Patrick Ewing limping back into the game, and didn't that raise the memory of Willis Reed doing just that in the championship season of 1970? Now they must play the seventh game in Chicago on Sunday, but the Knicks have come so far that the home advantage for the Bulls may mean nothing.

"The seventh game is what it's all about, at home, on the road, whatever," said Coach Pat Riley of the Knicks.

While the other denizens of the Garden, the Rangers, were being eliminated in Pittsburgh on Wednesday, I found myself thinking about tennis, which is not as weird as it seems.

The Knicks reminded me of Jimmy Connors, who goes out kicking and screaming at the U.S. Open every September. The Rangers reminded me of Andre Agassi, talented but unfulfilled.

"I just my butt for these people and they appreciate it," Connors says to somebody every minute at the Open. "They know I'm going to be diving for every ball, fighting for every point. New York is my kind of town."

Tennis fans also know that Jimbo will exploit the rules as much as possible. This is not always an appealing sight. The old scamp went over the line last summer when he taunted the chair umpire to "Get out of here, you bum," and worse. This display tainted Connors's victory over Aaron Krickstein. No excuses for him. Or from him.

Connors will push the game to its legal limits, but you have to acknowledge that the old boy cares.

The Knicks also care. And that calm-looking gent in the suit and the sneakers and the ball cap, sitting at court-side next to Tatum O'Neal on this night of celebrities, also can appreciate a team that will scowl and curse and bully and intimidate and push the opponent as far as it can.

THE KNICKS PLAY a physical brand of basketball that some people have judged as over the line. Their series against the Detroit Pistons in the opening round of the playoffs was vintage Connors, strutting and baiting and stalling and challenging.

This being New York, where cabbies stop in the middle lane with no warning, where vans run red lights, where people wash your car windows whether you want them washed or not, only the strong survive.

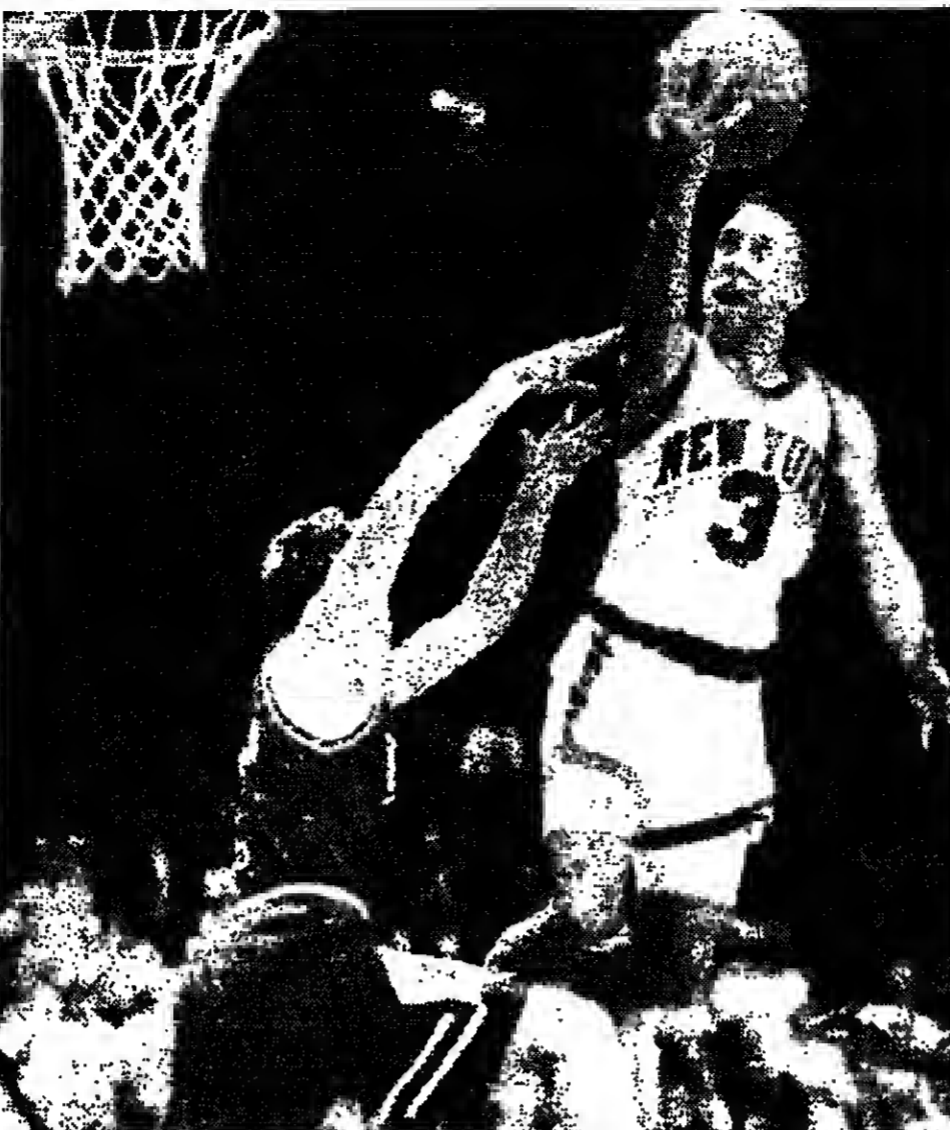
The Knicks have given New York a better playoff than anybody had the right to expect. They have hustled their butts, as Jimbo would put it. Every year, Jimbo goes out like Jimmy Cagney, rat-a-tat-tat, machine guns blazing, clattering down the steps, you'll never take me alive, copper. The Knicks have been Jimbo's kind of team, even if they may not square with some ideas of sportsmanship, yours or mine.

As it happens, I trashed Jimbo's performance against the umpire last summer, and I am an abolitionist about boxing, and I once when football broadcasters were horrible about spina-tingling hits. What's wrong with me, doctor, that these Knicks haven't bothered me one bit?

There was nothing wrong with the Rangers' attitude. They just didn't live up to their potential. With the talent and the muscles and the reflexes of an Agassi, they committed the faux pas of having the best record in the league during the regular season.

The Rangers, unfortunately, carry the curse of 1940! 1940! 1940!, when they lost the Stanley Cup.

No matter that there are 22 teams, going on 24, in the National Hockey League. With all the terrible focus of New York on them, the Rangers are always expected to right the wrongs of the past half century.



New York's John Starks floating over Chicago's John Paxson for 2 of his game-high 27 points.

Knicks Throttle Bulls, Setting Up a Showdown

By Clifton Brown
New York Times Service
NEW YORK—The New York Knicks and the Chicago Bulls will play Game 7 on Sunday because the Knicks were determined to keep playing.

John Starks, Chicago's star, scored for the first 6 minutes 10 seconds of the final quarter Thursday night. New York steamrolled to a 100-86 victory to deadlock the 4-of-7 National Basketball Association Eastern Conference semifinal series at 3 games apiece.

Patrick Ewing, limping badly after spraining his left ankle with just under 4 minutes left in the third quarter, played through the pain and finished with 27 points and 8 rebounds.

Ewing was in the training room getting treatment after the game, but he was expected to play in the series finale Sunday in Chicago.

In their most emotional game of the season, the Knicks evened the series by playing hard at both ends. New York opened the fourth quarter with a 13-0 run, turning a 70-68 deficit into an 81-70 lead.

The Bulls simply couldn't score as the Knicks frustrated and suffocated them. Even Michael Jordan, who had 21 points, was shackled by the relentless defense.

John Starks led for scoring honors with a career playoff high 27 points, while Xavier McDaniel—24 points and 11 rebounds—turned in another strong game.

So the Knicks, whom many thought would be swept in these

series, have a chance to complete a memorable upset against the defending champions.

Asked if he believed there would be a seventh game when the series began, Pat Riley, the Knicks' coach, said: "Yes. You're talking to a man who believes." He is also guiding a team that believes.

The lone low point for the Knicks was an ugly play when Scottie Pippen, who would finish with 18 points and 10 rebounds, was clothed around the neck by Starks as Rippen drove to the basket with 1.5 seconds left in the third quarter.

Pippen intercepted a pass, and as he went up for a lay-up attempt Starks fouled him. Pippen's body went one way, and his head snapped back another. He was fortunate not to be seriously injured, and Starks was called for a flagrant foul. Starks then kicked the ball and was given a technical foul.

Looking ahead to Sunday, Riley said: "We got to Game 7. As they say, anything can happen."

In other playoff action, The Associated Press reported: Jazz 111, SuperSonics 100: Utah advanced to the Western Finals for the first time as Karl Malone scored 15 of his 37 points in the fourth quarter to rally the Jazz.

"It's obviously a great win for us," said center Mark Eaton. "It gives us a chance to compete at a level where we never have been before."

Malone also had 13 rebounds for Utah, which scored the last 10 points of the game to improve to 4-3 at the Delta Center, including seven straight home playoff victories.

Jeff Malone had 20 points for the Jazz, while John Stockton added 18 and had 17 assists. Eaton, 6-foot-4 (2.23-meter) center, who seldom scores, finished with 14 points—eight in the final period—and nine rebounds.

Seattle was led by Eddie Johnson's 26 points.

Trail Blazers 118, Suns 106: Playing at home, Portland advanced to the Western Finals for the third straight season as Clyde Drexler had 34 points.

"This is what you play for each and every year, a chance to win an NBA championship," Drexler said. "As long as you haven't won a championship, you still have that thirst. We've got to quench that thirst."

The Trail Blazers, who will open the Western Finals at home on Sunday, trailed only once—43-42 midway through the second quarter—and led by as many as 16 early in the third period.

The Suns, playing their final game under their retiring coach, Cotton Fitzsimmons, closed to 97-94 on Tom Chambers's fast-break basket with 10 minutes to play. But Portland scored the next eight points to pull ahead 105-94, and the Suns got no closer than nine again. 20 points and Jerome Kersey had 16 points, 12 rebounds and eight assists for the Blazers. Tim Perry and Tom Chambers scored 19 apiece for the Suns.

Preakness Stakes Feels Beat of a Carefully Aimed Hammer

By Mike Freeman
Washington Post Service
BALTIMORE—In walks Hammer, and suddenly the Preakness has soul. It sings, it rhymes. It has Hammer, the cool rat dude who owns Dance Floor, a surprising third-place finisher in the Kentucky Derby and a contender in Saturday's Preakness Stakes, the second leg of U.S. racing's Triple Crown.

Hammer has invaded pro football and basketball. To him, no sport is 2 Legit to Skip. Hammer wants a piece of it all. Hammer's attention is now focused on the 117th Preakness. On Thursday, he

will continue to be the center of scenes such as this across the sports spectrum. He already has a foothold in the National Football League, in which his friend Deion Sanders stars as an Atlanta Falcon cornerback. Hammer is a regular visitor at Falcons games, and Sanders's father was with him at Pimlico on Thursday.

SCOREBOARD

FRIDAY'S RESULTS
Kintzhu 7, Delet 5
Lotte vs. Orla, 1st round
Saba vs. Nippon Hama, 2nd round

Major League Standings

Table with columns for American League and National League, listing teams like Toronto, Baltimore, New York, Boston, Milwaukee, Detroit, Cleveland, Chicago, Oakland, California, Minnesota, Texas, Seattle, Kansas City, Pittsburgh, St. Louis, New York, San Diego, Chicago, Philadelphia, San Francisco, Cincinnati, San Diego, Houston, Los Angeles, and their respective records.

Thursday's Live Scores

Table with columns for American League and National League, listing games like Seattle vs. Toronto, Tampa Bay vs. Boston, and their scores.

Japanese Baseball

Table with columns for Central League and Pacific League, listing teams like Hiroshima, Yomiuri, Hanshin, Chunichi, Toyo, Yamai, and their records.

TOUR DU PONT

Results in Thursday's death stage in Virginia, a 100-mile (161-km) race from the Hovenden to Waterbury Resort; L. Herbert Niederhoffer, Switzerland, 2:00:00, 4:44-4:51; Petr Korda (CZ), Czechoslovakia, 2:00:00, 4:44-4:51; Petr Korda (CZ), Czechoslovakia, 2:00:00, 4:44-4:51.

INTERNATIONAL CLASSIFIED

Advertisement for International Classified services, including legal services, auto tax free, and auto services.

TRANSACTIONS

Advertisement for various transactions, including real estate, legal services, and holiday rentals.

SIDELINES

Berwick Gets 4-Year Term for Rape

MIAMI (UPI)—Trevor Berwick, who lost his heavyweight boxing title to Mike Tyson in 1986, was sentenced Friday to four years in prison for having raped his children's babysitter.

Berwick was convicted of rape in February, but his sentencing had been delayed by questions about his mental condition. Before the sentencing Friday, Dade County Circuit Judge Thomas Wilson Jr. heard testimony from three court-appointed psychiatrists who concluded that the boxer was mentally competent.

Berwick held the World Boxing Council's heavyweight title for eight months in 1986, winning it on a decision over Finkton Thomas. On Nov. 22, 1986, he lost it to Tyson, who is serving a six-year sentence in an Indiana prison for raping a beauty pageant contestant.

Shreeves Fired as Tottenham Coach

LONDON (AP)—Peter Shreeves, manager of the English first division soccer club Tottenham, has been fired after one year in the job.

He was told of the decision Tuesday by Tottenham's chief executive, Terry Venables. "I was obviously disappointed," Shreeves said, "but as always in football, I must look forward and hope I can quickly get back into the game."

NFL Games Set for Europe and Asia

NEW YORK (AP)—Games in Tokyo, Berlin and London highlight the 60-game preseason schedule announced by the National Football League.

On Aug. 2, the Houston Oilers play the Dallas Cowboys at the Tokyo Dome. On Aug. 15, the NFL returns overseas, with the Denver Broncos playing the Miami Dolphins in Berlin. The following day, the San Francisco 49ers face the defending Super Bowl champion Washington Redskins at London's Wembley Stadium. The regular NFL season opens Sunday, Sept. 6.

For the Record

Joe Montana, the San Francisco 49ers quarterback, underwent minor surgery on his right elbow Thursday to loosen underlying adhesions. Montana, 33, had surgery on the elbow last fall to reattach a tendon to the bone. The injury sidelined him all of last season.

Netson Piquet, the three-time Formula One champion, was in good condition on Thursday after undergoing six hours of surgery in Indianapolis to receive skin grafts on his feet and left ankle, which were injured May 7 when he crashed during practice for the Indianapolis 500. (AFP)

Quotable

Patrick Ewing, New York Knicks center, on his ankle sprain in the third quarter of Game 6 against Chicago: "The only way I wasn't going to come back in was if it was broken."

Johnny Oates, Baltimore Orioles manager, on the home-field advantage created by the new outfield wall at Camden Yards: "Hey, if an opposing outfielder sticks his glove in the stands to get a ball, I'd hope the fans would tear his glove off."

Large advertisement for AT&T USADirect Service, featuring the slogan "FEELING OUT OFF?" and "AT&T USADirect Service can get you back to the office in seconds." It includes a list of international dial access numbers and a graphic of a globe.

Small advertisement for AT&T USADirect Service, including a list of international dial access numbers and a graphic of a globe.

DAVE BARRY

No Ralph Lauren Here

MIAMI — Recently, my family and I, in an effort to explore this great nation's western heritage...

In addition to cowboys, Montana has actual Indians. One of them, a member of the Crow tribe named Henry Real Bird...

"I just think in Crow and write it down in English," he said, "and white people think it's poetry."

On a cool but sunny day, we sat on a hill overlooking the battle field, eating sandwiches and listening to Hank tell us about the battle...

Once you get out of the crime-infested Billings area, Montana mainly consists of humongous stretches of beautiful scenery being munched on by cows...

Patronizing many Montana bars are actual cowboys wearing actual cowboy hats and dirt-intensive western-style clothing...

Listening to Life, Hearing Desperation

By David Streitfeld

NEW YORK — Movies, museums, dinners with friends: Don DeLillo comes here for reasons identical to those of tens of thousands of other excitement-seeking suburbanites...

"Scott waited, living at the Y, eating his meals standing up at narrow counters set along streetside windows...

"The future," DeLillo writes in the sentence that got quoted in all the reviews, "belongs to crowds..."

Still, no one would mistake him for a sunny guy. "I suppose it's simply that I am not a hopeful person," he agrees with a laugh...

While not quite in the world-class league of J.D. Salinger or Thomas Pynchon...



The future in Don DeLillo's novels belongs to concealment, illness and disasters.

There's an implication of a loner, an exile who doesn't want to find himself a media subject.

There's a particular snapshot DeLillo had in mind here. A couple years back, J.D. Salinger was ambushed near his home...

He's on surer ground with the notion that writers in the West no longer control the agenda — the way Kafka, say, looked at the world with such a peculiar yet immediately recognizable point of view...

Things like this can seem close to romanticizing outlaws, a practice that went out of favor even among leftists 20 years ago...

PEOPLE

Mandela and de Klerk Receive Asturias Award

President Frederik W. de Klerk of South Africa and Nelson Mandela, the head of the African National Congress, were awarded the Prince of Asturias prize for international cooperation Friday for their efforts to achieve racial harmony and justice...

The son of a former bishop says he's disappointed that the man refused to have a relationship with him but he understands that it is his father's "damnation"...

The Musée des Arts de la Mode et du Textile has announced the appointment of a new curator. Katell Le Bouris will take over as curator, returning to Paris after 14 years in New York working with Diana Vreeland at the Metropolitan Museum of Art's Costume Institute...

Diana, Princess of Wales, left Egypt on Friday after laying a wreath at a cemetery containing the graves of Commonwealth troops who died in the World War II, many of them in the desert battle of El Alamein...

PERSONALS

LOW COST FLIGHTS
AMERICAN PASSENGERS
DAILY FLIGHTS TO LOWEST PRICES

EDUCATION

FORMER TEACHER OF FRENCH
FRENCH LESSONS, ALL LEVELS
ANTHONY'S FRENCH SCHOOL

ANNOUNCEMENTS

THE JUNIOR GUILD
CHARITY BAZAAR
Antiques, Bric-a-brac, Books, toys & books

FRIENDSHIPS

EDITH BRIGITTA FAHRENKROG
SAYS: "I'D PREFERRED TO BE THE INTERNATIONAL PARTNER-AGENCY"

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ENCHANTING FRENCH LADY WITH CLASS...
MANAGING DIRECTOR OF INTL COMPANIES...

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REAL ESTATE TO RENT/SHARE

GREAT BRITAIN
NEW YORK-4TH STREET/10X
COSTA DEL SOL

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN
NEW YORK-4TH STREET/10X
COSTA DEL SOL

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN
NEW YORK-4TH STREET/10X
COSTA DEL SOL

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN
SUMMER IN LONDON
FRENCH PROVINCES

REAL ESTATE TO RENT/SHARE

FRENCH RIVIERA
SPAIN

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN
NEW YORK-4TH STREET/10X
COSTA DEL SOL

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN
NEW YORK-4TH STREET/10X
COSTA DEL SOL

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN
NEW YORK-4TH STREET/10X
COSTA DEL SOL

EMPLOYMENT

GENERAL POSITIONS AVAILABLE
OVERSEAS POSITIONS
FRENCH WOMAN

EMPLOYMENT

GENERAL POSITIONS WANTED
FRENCH WOMAN

EMPLOYMENT

GENERAL POSITIONS AVAILABLE
SACRED HEART UNIVERSITY

EMPLOYMENT

GENERAL POSITIONS AVAILABLE
SACRED HEART UNIVERSITY

EMPLOYMENT

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EDUCATIONAL POSITIONS AVAILABLE
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EMPLOYMENT

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Handwritten Arabic text: كذا هو الحال